

Government That Works!

NEW JERSEY DEPARTMENT OF THE TREASURY

LOCAL GOVERNMENT BUDGET REVIEW

RIVERTON BOROUGH BOARD OF EDUCATION

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SEPTEMBER, 2000



GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE

The Report of the Riverton Borough Board of Education

New Jerseyans deserve the best government their tax dollars can provide. Governor Whitman is committed to making state government leaner, smarter and more responsive by bringing a common sense approach to the way government does business. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

Of major concern is the rising cost of local government. There is no doubt that local government costs and the property taxes that pay for them have been rising steadily over the past decade. Prior to Governor Whitman's taking office in 1994, the state had never worked as closely with towns to examine what is behind those costs. That is why she created the Local Government Budget Review (LGBR) program. Its mission is simple: to help local governments and school boards find savings and efficiencies without compromising the delivery of services to the public.

The LGBR program utilizes an innovative approach combining the expertise of professionals, primarily from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a comprehensive management review and consulting service by the state at no cost. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

In addition, teams also document those state regulations and mandates which place burdens on local governments without value added benefits and suggest, on behalf of local officials, which ones should be modified or eliminated. Teams also look for "best practices" and innovative ideas that deserve recognition and other communities may want to emulate.

Based upon the dramatic success of the program and the number of requests for review services, in July, 1997, Governor Whitman ordered the expansion of the program, tripling its number of teams in an effort to reach more communities and school districts. The ultimate goal is to provide assistance to local government that results in meaningful property tax relief to the citizens of New Jersey.

THE REVIEW PROCESS

In order for a community or school district to participate in the Local Government Budget Review (LGBR) program, a majority of the elected officials must request the help of the review team through a public resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the review team, and to agree to an open public presentation of the review team's findings and recommendations.

As part of the review of the Riverton Borough Board of Education, review team members interviewed board of education members, administrators, district employees, teachers, parents, students, association officers, county education personnel, and community members. The review team received cooperation and assistance from the educational community and the community at large.

The team reviewed a variety of documents including but not limited to the following: budget statements, audit reports, annual financial statements (CAFR's), collective bargaining agreements, various State reports, payroll records, personnel contracts and files, vendor and account analyses, board policies, meeting agendas and minutes, and a variety of other pertinent documents. Members of the review team visited the district facility. Board of education meetings and other district meetings were observed during the course of the visit.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. In particular, the productivity enhancement values identified in this report do not necessarily reflect actual cash dollars to the district but do represent the cost of the school system's current operations and an opportunity to define the value of improving upon such operations. The estimates have been developed in an effort to provide an indication of the potential magnitude of each issue and the savings, productivity enhancement, or cost. We recognize that all of these recommendations cannot be accomplished immediately and that some of the savings will occur only in the first year. Many of these suggestions will require negotiations through the collective negotiation process. We believe, however, that these estimates are conservative and achievable.

In addition to the Findings and Recommendation section, this report contains a section entitled Best Practices. Best Practices notes more practices that the review team finds to be exemplary and that might be replicated by other school districts to save money.

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
RIVERTON BOROUGH BOARD OF EDUCATION**

Technology

The team recommends that the district consider gradually switching to the state contract, saving \$22,595.

The district could save an additional \$1,656 by shifting 13,000 copies from the main office to the business office.

Food Services

The district should consider the placement of two vending machines in areas accessible to after school programs for a revenue enhancement of \$2,430.

Collective Bargaining Issues

By negotiating a benchmark plan and having the eligible employees pay a portion of their premium, the district could potentially save \$14,000.

The district should consider negotiating for a 20% co-payment for “other-than-single” cover for a potential savings of \$13,000 - \$15,400.

It is further recommended that the district negotiate a three-tier co-pay for prescriptions for a potential savings of \$3,000.

**COMPARISON OF BUDGET APPROPRIATION, STATE AID
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN
THE RIVERTON BOROUGH BOARD OF EDUCATION**

<u>Areas Involving Monetary Recommendations</u>	<u>Annual Savings/ Expense</u>	<u>*Potential Savings</u>	<u>Totals</u>
Technology			
Use the state's cost-per-copy contract for photocopiers	\$22,595		
Shift 13,000 copies from main office to business office	\$1,656		
			\$24,251
Food Services			
Place two vending machines in areas accessible to after school programs	\$2,430		
			\$2,430
Collective Bargaining Issues			
Negotiate benchmark plan and have employees pay portion of premium		\$14,000	
Negotiate a 20% co-pay for other-than-single coverage		\$13,000	
Negotiate a three-tier co-pay for prescriptions		\$3,000	
Total Recommended Savings	\$26,681	\$30,000	\$26,681
*\$30,000 not included in savings of \$26,681.			
Total Amount Raised for School Tax			\$2,346,943
Savings as a % of School Tax			1%
Total Budget			\$2,879,754
Savings as a % of Budget			1%
Total State Aid			\$391,329
Savings as a % of State Aid			7%

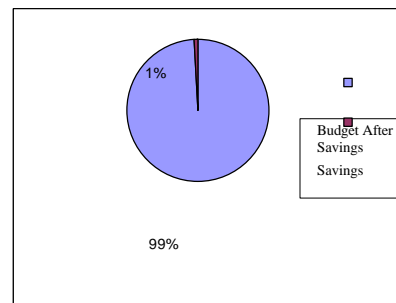
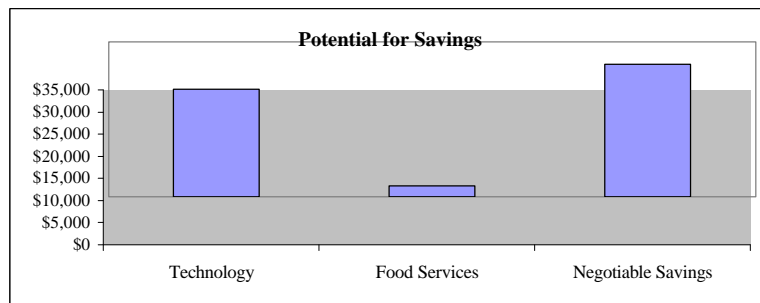


TABLE OF CONTENTS

Preface – Government That Works/Opportunities for Change
The Review Process
Executive Summary
Comparison of Cost/Tax Rate with Recommended Savings

<u>CONTENTS</u>	<u>PAGE</u>
COMMUNITY OVERVIEW.....	1
I. BEST PRACTICES.....	2
II. OPPORTUNITIES FOR CHANGE/FINDINGS AND RECOMMENDATIONS.....	4
COMPARATIVE ANALYSES	4
ADMINISTRATION	9
TECHNOLOGY	12
INSTRUCTION	18
BUSINESS OFFICE	28
INSURANCE.....	31
FACILITIES.....	31
FOOD SERVICES	34
TRANSPORTATION.....	37
BOARD OF EDUCATION	38
III. COLLECTIVE BARGAINING ISSUES	40
IV. SHARED SERVICES.....	45
V. STATUTORY AND REGULATORY REFORM.....	47

COMMUNITY OVERVIEW

The Borough of Riverton is a suburban community located in Burlington County in Southern New Jersey. The community lies along the Delaware River five miles to the northeast of the City of Philadelphia. Riverton is approximately one square mile in area and is bounded by the Township of Cinnaminson to the north and east and the Borough of Palmyra to the south. In 1851, a group of Philadelphia businessmen founded the borough as a resort community in order to seek relief from the heat of the city. Many of the original Victorian-style mansions of the founding fathers are still occupied and stand along beautiful tree-lined streets. The area was originally a part of Cinnaminson Township but in 1893 withdrew and became a separate municipality.

The population of the community according to the 1980 United States Census was 3,068. This decreased to 2,775 in 1990 and was estimated to be 2,690 in 1996. Approximately 97% of the community are White, 2% Afro-American, .5% Asian and .5% Hispanic. The median family income as of 1989 was \$54,940 and per capita income was \$21,065. There are many single-family homes in the community along with a small number of garden type apartments. In 1990, 75% of the workforce was employed in either professional or technical positions.

An elected mayor and council govern the borough. The mayor is elected for a term of four years. The borough council, of six members, serves for three years with two members up for re-election each year. The President of Council is elected on a yearly basis from the membership.

The Riverton School District is governed by an elected board of education. Its nine members serve staggered three-year terms with one individual serving as president and one as vice-president on a yearly basis. The district is comprised of one K-8 school serving a student population of 267. The school district currently sends its high school students in grades 9 through 12 to Palmyra High School. This arrangement has been in place since 1908 when the two districts jointly agreed that they would need only one high school and they would build it in the Palmyra District. The original elementary building was constructed in 1910 with additions in 1935, 1955 and 1973.

The school district, according to the 1998-99 Comprehensive Annual Financial Report (CAFR), employs 44 staff members to include 31 professionals and 13 non-professionals. The New Jersey Department of Education ranks the district in the "GH" category of District Factor Groups (DFG). This is the indicator of the socio-economic status of the citizens of the district. The "GH" grouping is the third highest or wealthiest of the eight groups.

I. BEST PRACTICES

A very important part of each Local Government Budget Review report is the best practices section. During the course of every review, each review team identifies procedures, programs and practices that are noteworthy and deserving of recognition. Best practices are presented to encourage replication in communities and schools throughout the state. By implementing these practices, municipalities and school districts can benefit from the Local Government Budget Review process and possibly save considerable expense on their own.

Just as we are not able to identify every area of potential cost savings, the review team cannot cite every area of effective effort. The following are those best practices recognized by the team for cost and/or delivery effectiveness.

The district has been the recipient of a federal Technology Literacy Challenge Fund grant in the amount of \$94,096. This competitive grant enabled the district to establish a website, www.riverton.k12.nj.us. On the website the Riverton Project was created. The project has historical and current information about the Victorian Riverton town. The information is in the form of a timeline created by the then 5th grade class. Other classes in the school gathered information and created projects to place on the timeline. Each year it is anticipated that classes will add to and improve on the website.

Funds (\$28,536) from the Technology Literacy Challenge Fund were also used to equip the Technology Laboratory with 24 Pentium computers. Students are given the opportunity in the laboratory to refine their research abilities using a variety of software sources and the Internet. They apply their knowledge when producing projects assigned by classroom and subject area teachers. Projects are presented using PowerPoint, MS Word and MS Access.

Through agreement with the Palmyra School District, Riverton has arranged for eligible eighth grade students to take an Algebra 1 Mathematics course at Palmyra High School. The use of creative scheduling allows the students to participate at the beginning of the day and return to school without losing valuable instructional time.

The district has secured a number of smaller grants enabling it to participate in programs that have proved beneficial to the school and community. Through the Burlington County Human Services Commission, the Riverton School has been able to initiate a peer mediation/conflict resolution program. Each spring fourth grade students are trained in the program strategies through group activities, direct instruction and role-play. Burlington County also sponsored the Child Assault Prevention (CAP) Program, a preventative tool aimed at supporting the safety and well-being of students. The program involves parental, staff and student training and instructs and supports children in their rights to be safe, strong and free. The school district has also received funds to allow it to participate in the Drug Abuse Resistance Education Program (DARE). Training is provided each spring over a 17-week period for 5th grade students. The focus of the program is specific drug and alcohol prevention skills and the training is provided through the Burlington County Sheriff's Department.

The community is very supportive of the school. The Riverton PTA has an extensive schedule of activities that focus on enriching the educational experiences of the children. During the 1998-99 school year, the PTA raised over \$10,000 that was used to provide for field trips, assemblies and the purchase of items beyond the limitations of the school budget. During the review team's visit, the school had just received (through the auspices of the PTA) a new portable sound system for use in the gymnasium/cafeteria/auditorium. The funds raised represents a tremendous effort by the members of this organization. In addition, they publish a monthly newsletter of approximately eight pages. This is a well written and informative document that keeps the whole community apprised of ongoing events. The Friends of Riverton Foundation was formed to also provide support for the school. They have raised and donated funds to provide materials and items outside the regular school budget. In 1998-99, the Foundation donated approximately \$3,000 to the district.

An integral part of the review process is the analysis of a combination of purchasing practices and shared services. Quite frequently the review team would be in a position to recommend that a district join a cooperative or share services in order to save funds. The Riverton School District has already done so in a number of areas. Electricity, natural gas, food services, transportation, insurance, environmental consulting and cooperative purchasing of supplies are identified areas where savings have already been realized and have translated into savings for the taxpayer.

II. OPPORTUNITIES FOR CHANGE/FINDINGS AND RECOMMENDATIONS

The purpose of this section of the review report is to identify opportunities for change and to make recommendations that will result in more efficient operations and financial savings to the school district and its taxpayers.

In its study, the review team found the district makes a conscious effort to control costs and to explore areas of cost saving efficiencies in its operations. Many of these are identified in the best practices section of this report. Others will be noted as appropriate in the findings to follow. The district is to be commended for its efforts. The review team did find areas where additional savings could be generated and has made recommendations for change that will result in reduced costs or increased revenue.

Where possible, a dollar value has been assigned to each recommendation to provide a measure of importance or magnitude to illustrate cost savings. The time it will take to implement each recommendation will vary. It is not possible to expect the total projected savings to be achieved in a short period of time. Nevertheless, the total savings and revenue enhancements should be viewed as an attainable goal. The impact will be reflected in the immediate budget, future budgets, and the tax rate(s). Some recommendations may be subject to collective bargaining considerations and therefore, may not be implemented until the next round of negotiations. The total savings will lead to a reduction in tax rates resulting from improvements in budgeting, cash management, and cost control and revenue enhancement.

COMPARATIVE ANALYSES

LGBR uses various methods to analyze school districts. One method is to compare districts to one another using information from the Department of Education (DOE) and from the Comprehensive Annual Financial Audit. Districts may be compared to appropriate statewide averages or medians. At other times a comparison is made among districts that are similar in type (K-8), size and socio-economic characteristics. The most recent comparative data used in this report was compiled in the school year 1998-99 which was the most current available. Other methods used by LGBR include reviewing district documents and identifying benchmarks or related information from various state agencies, state education associations, various publications and private industry.

Whenever possible, comparable districts are drawn from a close geographical proximity. Burlington County, in which the Riverton District is located, has no similar districts. The neighboring counties (contiguous) also did not meet the criteria used in the study. The school districts that were used for detailed comparison with Riverton include Allamuchy Borough (Warren County), Franklin Township (Hunterdon County) and Stanhope Borough (Sussex County). LGBR selected these school districts because they are similar in type, size and socio-economic characteristics. The chart below provides statistical data on the Riverton Borough School District and the comparison districts. Each district has an elected board of education,

enrollments that range between 267 and 373 and between one and two schools. Other comparisons include teacher/student ratio, student/administrator ratio and faculty/administrator ratio. The median administrator's salary and median teacher's salary in Riverton are the lowest of the districts. Both figures (\$63,750 and \$37,350) are attributable, in part, to the low median years of experience of both groups.

School District Comparisons Based on General Characteristics

Description	Riverton Borough	Allamuchy Township	Franklin Township	Stanhope Borough
County	Burlington	Warren	Hunterdon	Sussex
District Type	II	II	II	II
Grades	K-8	K-8	K-8	K-8
District Factor Group	GH	GH	GH	GH
Cert Employees	31	35	28.7	35
Other Employees	13	15	18.6	11
Total Employees	44	50	47.3	46
Square Miles	1	20.3	23	2.1
Number of Schools				
Elementary	1	1	1	2
Total Schools	1	1	1	2
Average Daily Enrollment	267	349	342	373
Student/Teacher Ratio				
Elementary	10.2:1	12.9:1	11.1:1	14.2:1
Administrative Personnel 1997-98				
Number of Administrators	2	3.1	4	3
Students per Administrator	134:1	108.4:1	87.8:1	132.7:1
Faculty per Administrator	13.2:1	8.4:1	8.1:1	10.6:1
Median Salary				
Faculty	\$37,350	\$44,250	\$37,450	\$52,045
Administrators	\$63,750	\$70,590	\$66,592	\$81,233
Median Years of Experience				
Faculty	10	16	11	18
Administrators	11	20	17	26
Instructional Time	5hrs,35min	5hrs,48min	5hrs,45min	5hrs,30min
Student Mobility Rate	9.7%	12.8%	6.3%	7.9%

Source: 1998-99 CAFR and 1998-99 Report Card. Average Daily Enrollment data was obtained directly from districts and is based upon their reporting figures in the New Jersey Department of Education Summary for School Year 1998-99 School/District ADE/ADA Summary.

The next step in the comparison of like districts is to review information contained in the 1998-99 Comprehensive Annual Financial Report (CAFR) in revenue. The data indicates that the districts are similar to one another. The greatest portion of revenue received by Riverton (83.4%) is derived from local sources. Approximately 12.6% of the district's funding comes from state aid and just over 4% from federal sources.

Comparison of Revenues

Revenues	Riverton Borough		Allamuchy Township		Franklin Township		Stanhope Borough	
General Fund								
Local Tax Levy	\$2,486,916	71.5%	\$3,629,614	76.4%	\$2,716,880	81.1%	\$2,266,069	67.8%
State Aid *	\$532,662	16.5%	\$673,449	10.1%	\$478,890	7.6%	\$1,097,367	25.5%
Federal Aid	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Tuition	\$28,429	1.0%	\$51,689	1.1%	\$7,839	0.2%	\$0	0.0%
Miscellaneous	\$29,279	1.0%	\$29,243	0.6%	\$35,218	1.1%	\$15,836	0.5%
Total General Fund	\$3,077,286	96.0%	\$4,190,158	88.2%	\$3,015,802	90.1%	\$3,133,823	93.8%
Special Revenue Fund								
State Aid	\$25,651	1.0%	\$29,876	0.6%	\$26,702	0.8%	\$42,586	1.3%
Federal Aid	\$104,542	3.0%	\$102,529	2.2%	\$41,473	1.2%	\$164,019	4.9%
Other	\$0	0.0%	\$1,090	0.0%	\$0	0.0%	\$0	0.0%
Total Revenue Fund	\$130,193	4.0%	\$133,495	2.8%	\$68,175	2.0%	\$206,605	6.2%
Debt Service Fund								
Local Tax Levy	\$0	0.0%	\$411,155	8.7%	\$261,000	7.8%	\$0	0.0%
State Aid	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Total Debt Service Fund	\$0	0.0%	\$411,155	8.7%	\$261,000	7.8%	\$0	0.0%
Fiduciary Fund Type								
State Aid	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Federal Aid	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Other	\$1,324	0.0%	\$1,821	0.0%	\$4,448	0.1%	\$0	0.0%
Total Fiduciary Fund Type	\$1,324	0.0%	\$1,821	0.0%	\$4,448	0.1%	\$0	0.0%
Capital Projects								
Other	\$0	0.0%	\$17,209	0.3%	\$0	0.0%	\$0	0.0%
Total Capital Projects	\$0	0.0%	\$17,209	0.3%	\$0	0.0%	\$0	0.0%
Total Revenues (All Fund)	\$3,208,803	100%	\$4,753,838	100%	\$3,349,425	100%	\$3,340,428	100%

Source: School Districts' 1998-99 Comprehensive Annual Financial Reports.

*GASB Statement 24 requires that "on behalf of TPAF Pension Contribution" and "Reimbursed TPAF Social Security Contributions" be reported, but they do not represent true revenue items of the respective districts, (Deduct: Riverton - \$179,742, Allamuchy - \$193,837, Franklin - \$223,634, Stanhope - \$245,448).

General fund expenditures of the four districts are displayed below. In each area a dollar figure is given with a percentage of the total expenditure in the column to the right. Instructional costs in all four districts are similar. Riverton expends the least amount of funds (second lowest percentage) on instructional costs. The district's administrative costs are the lowest of the four districts by a considerable margin (5% to an average of 6.8%). In the support service area, Riverton spends \$211 less per pupil than the three comparison districts.

Comparison of General Fund Expenditures

	Riverton Borough		Allamuchy Township		Franklin Township		Stanhope Borough	
Actual								
Regular Program - Inst.	\$916,341	33.7%	\$1,164,023	28.5%	\$1,311,829	42.0%	\$1,287,164	37.8%
Special Education	\$157,185	5.8%	\$179,946	4.4%	\$163,859	5.2%	\$239,538	7.0%
Basic Skills-Remedial	\$15,115	0.5%	\$0	0.0%	\$54,747	1.7%	\$40,554	1.2%
Bilingual Education	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$5,393	0.2%
Sponsored Cocurr. Activit.	\$12,582	0.5%	\$9,389	0.2%	\$21,241	0.7%	\$10,540	0.3%
Sponsored Athletics	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Other Instruction Prog.	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Community Services Prog.	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Total Instructional Cost	\$1,101,223	40.6%	\$1,353,358	33.1%	\$1,551,676	49.6%	\$1,583,189	46.5%
Undistributed Exp. - Ins.	\$702,445	25.9%	\$1,123,262	27.5%	\$68,375	2.2%	\$249,100	7.3%
General Administration	\$145,318	5.4%	\$109,233	2.6%	\$164,108	5.2%	\$177,990	5.2%
School Administration	\$0	0.0%	\$130,981	3.2%	\$69,016	2.2%	\$113,844	3.3%
Total Administ. Cost	\$145,318	5.4%	\$240,214	5.8%	\$233,124	7.4%	\$291,834	8.5%
Food Service	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Health Service	\$39,980	1.5%	\$45,789	1.1%	\$33,974	1.1%	\$41,087	1.2%
Attend. & Soc. Work Serv.	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$350	0.0%
Students Related & Extra Services	\$25,922	1.0%	\$44,462	1.1%	\$73,379	2.3%	\$57,450	1.7%
Other Support Service	\$98,996	3.6%	\$151,684	3.7%	\$89,785	2.9%	\$133,096	3.9%
Other - Imp. of Inst. Ser.	\$0	0.0%	\$9,496	0.2%	\$10,596	0.3%	\$1,522	0.0%
Media Serv./Sch. Library	\$40,638	1.5%	\$31,008	0.8%	\$16,823	0.5%	\$87,122	2.6%
Instructional Staff Training Service	\$2,007	0.0%	\$4,060	0.1%	\$5,509	0.2%	\$0	0.0%
Operation of Plant	\$182,758	6.7%	\$283,788	6.9%	\$269,026	8.6%	\$239,407	7.0%
Business&Other Sup.Ser.	\$296,955	10.9%	\$475,967	11.6%	\$392,064	12.5%	\$433,177	12.7%
Total Support Services	\$687,256	25.2%	\$1,046,254	25.6%	\$891,156	28.4%	\$993,211	29.2%
Transportation	\$77,241	2.9%	\$317,933	7.8%	\$228,372	7.3%	\$227,664	6.7%
Capital Outlay	\$9,370	0.1%	\$9,014	0.2%	\$160,205	5.1%	\$61,419	1.8%
Special Schools	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Total Gen. Fund Expend.	\$2,722,853	100.0%	\$4,090,035	100.0%	\$3,132,908	100.0%	\$3,406,417	100.0%
Avg. Daily Enrollment	267		339		342		373	

Source: School Districts' 1998-99 CAFR. Average Daily Enrollment data was obtained directly from districts and is based on their reporting figures on the New Jersey Department of Education Summary for School Year 1998-99 School/District ADE/ADA Summary.

The information in the comparison below was drawn from the 1999 NJDOE Comparative Spending Guide. The dollar amount represents the budgeted amount in each of the categories listed for 1998-99. A comparison of the Riverton School District with Allamuchy Township, Franklin Township and Stanhope Borough shows the per pupil cost to be the lowest over-all and 3% lower than the three district comparison average. Overall Riverton's cost in almost every area was lower than the average. The exceptions to this trend were in the area of support service salaries and benefits, which was approximately 12% higher and the extracurricular area which was 30% higher. The favorable comparisons are further strengthened by data showing the highest faculty/administrator ratio, lowest median teacher's salary and a lower than average median administrator's salary (second lowest dollar figure). Further evidence of conservative spending is lowest percentage (15.5%) utilized for employee benefits.

Analysis of Similar Districts Using Per Pupil Expenditures or Staffing Data*

	Riverton Borough	Allamuchy Township	Franklin Township	Stanhope Borough
Total Cost Per Pupil	\$7,302	\$7,943	\$7,450	\$7,214
Total Classroom Instruction	\$4,534	\$4,553	\$4,852	\$4,529
Classroom Salaries & Benefits	\$4,317	\$4,317	\$4,565	\$4,297
Classroom General Supplies & Textbooks	\$194	\$224	\$230	\$228
Classroom Purchased Services & Other	\$23	\$12	\$57	\$4
Total Support Services	\$837	\$1,024	\$711	\$909
Support Services Salaries & Benefits	\$778	\$822	\$629	\$638
Total Administrative Cost	\$1,045	\$1,239	\$1,015	\$998
Salaries & Benefits for Administration	\$796	\$954	\$826	\$840
Operations & Maintenance of Plant	\$794	\$1,028	\$806	\$711
Salaries & Benefits for Oper. Maint. of Plant	\$321	\$500	\$372	\$371
Food Service	\$29	\$0	\$0	\$29
Extracurricular Cost	\$62	\$38	\$66	\$39
Equipment	\$0	\$211	\$139	\$0
Student/Teacher Ratio	12.3:1	14.2:1	12.5:1	13.8:1
Median Teacher Salary	\$38,350	\$44,900	\$39,366	\$53,283
Student/Support Service Ratio	56.9:1	105.0:1	81.6:1	147.8:1
Median Support Service Salary	\$35,050	\$30,335	\$23,380	\$32,795
Student/Administrator Ratio	133.8:1	108.4:1	87.8:1	133.0:1
Median Administrator Salary	\$63,750	\$70,590	\$59,848	\$81,233
Faculty/Administrator Ratio	13.2:1	8.6:1	8.1:1	10.6:1
Personal Ser.-Employee Benefits	15.5%	23.5%	15.9%	15.8%

Source: NJDOE Comparative Spending Guide 1999. The total cost per pupil in this table is not comparable with the previous table. The total cost per pupil here is calculated as the total current expense budget plus certain special revenue funds, particularly early childhood programs, distance learning costs and instructional supplement costs related to servicing pupils on roll in the district (resident students plus those received from other districts less those sent out of district) that are considered comparable among school districts. The calculation excludes the local contribution to special revenue, tuition expenditures, and interest payments on the lease purchase of buildings, transportation costs and judgments against the school district. Also excluded from this per pupil calculation are equipment purchases, facilities acquisition and construction services, expenditures funded by restricted local, state and federal grants and debt service expenditures.

The New Jersey Comparative Spending Guide provides the opportunity to compare districts' spending in a number of areas to other districts in the state of similar size. In this case Riverton, in the chart below, is compared to 65 other school districts in New Jersey (the 1996 ranking is based on 66 districts). All of the districts are kindergarten through grade 8 and have less than 400 students. The information presented shows applicable costs and ranking per category for three years (two actual and one budget). The districts are ranked from low cost to high cost with 1 being the lowest cost and 65 (66) being the highest cost per student.

**Comparison of Riverton to 65 Districts
Ranked from 1 (Low Costs) to 65 (High Costs)**

	1996-97		1997-98		1998-99	
	Actual	Ranking	Actual	Ranking	Budget	Ranking
Cost Per Pupil	\$7,603	31	\$7,400	13	\$7,302	17
Classroom Instruction	\$4,566	22	\$4,257	16	\$4,534	15
Classroom Salaries & Benefits	\$4,271	19	\$4,137	17	\$4,317	17
General Supplies & Textbook	\$283	50	\$91	3	\$194	17
Purchased Services & Other	\$13	7	\$29	24	\$23	16
Support Services	\$769	46	\$814	33	\$837	29
Support Serv. Salaries & Benefits	\$667	46	\$716	43	\$778	40
Total Administrative Cost	\$1,171	27	\$1,104	21	\$1,045	15
Salaries & Benefits for Admin.	\$772	16	\$759	17	\$796	10
Operations & Maint.	\$1,013	48	\$762	31	\$794	28
Salary & Benefits for Oper./Maint.	\$380	33	\$313	21	\$321	20
Food Service	\$17	10	\$23	8	\$29	14
Extracurricular Cost	\$61	37	\$58	37	\$62	34
Median Teacher Salary	\$37,200	18	\$37,850	20	\$38,350	25
Median Support Service Salary	\$33,378	36	\$31,675	31	\$35,050	38
Median Administrator Salary	\$55,000	22	\$59,000	25	\$63,750	28
Ranked High Ratio to Low						
Student/Administrator Ratio	129:1	24	136.5:1	18	133.8:1	17
Faculty/Administrator Ratio	12.6:1	22	12.8:1	21	13.2:1	17

Source: 1999 NJDOE Comparative Spending Guide

An analysis of the 18 categories on the above chart indicates that Riverton compares quite favorably in most areas. In one-half of the areas measured, the district ranks in the top 30% (lowest spending) and in all but three areas is in the top half (lowest spending) among the 65 districts. The student/administrator ratio and faculty/administrator ratio places the district in the top 26% (lowest spending) of the comparison districts. Cost per pupil, classroom instruction, classroom salaries and benefits, general supplies and textbooks, administrative cost, salaries and benefits for administrators and operations/maintenance have all improved in the district's ranking from 1996-97 through 1998-99 (lower ranking equals lower comparison costs).

ADMINISTRATION

Board policy directs the establishment and implementation of an organizational plan known as “unit control” for the management of the school district. The superintendent is the chief administrative officer for the school system and is directly responsible to the board of education. Administration in all aspects is delegated to the superintendent. The performance responsibilities identified include development and maintenance of a positive educational program, personnel, general administrative areas and all aspects of supervision and enforcement of all constitutional or statutory laws, state and charter regulations and board policies.

The district’s organizational chart lists the superintendent, board secretary and treasurer as reporting directly to the board of education. The school business administrator reports directly to

the superintendent and all non-instructional staff to her. In Riverton, the school business administrator also serves as the board secretary. All instructional staff and the child study team director report directly to the superintendent, who also serves as the building principal. The school district has one kindergarten through eighth grade school with a 1998-99 Average Daily Enrollment (ADE) of 267. High school students attend Palmyra High School in the adjoining Palmyra School District. This arrangement has been in place for approximately 90 years.

In the Comparative Spending Guide 1999 published by the New Jersey Department of Education, total administrative expenditures relate to four areas of the annual school district budget statement - general administration, school administration, and business and other support services, both business and central, and improvement of instruction services. The total administrative cost in 1997-98 in the Riverton School District was \$1,104 per pupil with a ranking of 27 out of 65 school districts (ranked low spending to high spending). The total administrative budget cost in 1998-99 was \$1,045 per pupil with a ranking of 15 out of the 65 school districts (K-8) with enrollments under 400.

The figures for total administrative costs for Riverton and the three comparison districts are illustrated in the table below.

	1997-98		1998-99	
Total Administrative Costs – Selected K-8 Comparable Districts	Actual Cost per Pupil*	% of Total Comparative Cost/Pupil	Budget per Pupil Cost **	% of Total Comparative Cost/Pupil
Allamuchy Township	\$1,060	12.2%	\$1,239	15.6%
Franklin Township	\$865	11.3%	\$826	11.1%
Stanhope Borough	\$976	12.9%	\$998	13.8%
Riverton Borough	\$1,104	14.9%	\$1,045	14.3%

*Average Daily Enrollment **Unaudited pupil count

The review team also examined the Comprehensive Educational Improvement and Financing Act (CEIFA) function 230 - support services, general administrative account for the year 1998-99 for Riverton Borough, Allamuchy Township, Franklin Township, and Stanhope Borough. This function area includes expenses associated with the board of education, central administration and school elections. This examination revealed the following costs for fiscal year 1998-99 (based on the 6/30/99 Audit Report).

An analysis of the general administration costs of the Riverton district indicates that the district spends \$145,138 as compared with \$109,233 in Allamuchy Township, \$164,108 in Franklin Township and \$177,990 for Stanhope Borough. The per pupil administrative costs were \$544 compared with \$322 for Allamuchy Township, \$80 for Franklin Township and \$477 for Stanhope Borough based on the 230 category for 1998-99. In this comparison, all funds for the support of the Riverton administration were in this category (General Administration) while the three comparison districts had funds also budgeted (prorated) under the category of school administration.

General Administration	Riverton Borough	Allamuchy Township	Franklin Township	Stanhope Borough
Salaries	\$126,610	\$52,986	\$114,293	\$133,120
Legal Services	\$3,224	\$562	\$13,448	\$6,337
Other Purchased Professional Services	\$1,221	\$16,603	\$7,200	\$8,526
Communications/Telephones		\$10,199	\$9,312	\$15,267
Other Purchased Services	\$2,852	\$13,306	\$5,118	\$1,600
Supplies and Materials	\$5,081	\$2,571	\$4,522	\$1,059
Miscellaneous	\$6,330	\$13,006	\$10,245	\$12,079
Total General Administration	\$145,318	\$109,233	\$164,138	\$177,988
Enrollment	267	339	342	373
Per Pupil Cost	\$544	\$322	\$480	\$477
Total School Administration	\$0	\$130,981	\$69,016	\$113,844
Total Gen. Admin. & Sch. Admin.	\$145,318	\$240,214	\$233,154	\$291,832
Total Per Pupil Cost – Gen. Admin. & Sch. Admin.	\$544	\$709	\$682	\$782

Inclusion of both the school administration and general administration budget numbers in the total would then reposition Riverton's position from the highest spending to the lowest spending by an average of \$180 per student.

Business and Other Support Services

	Riverton Borough	Allamuchy Township	Franklin Township	Stanhope Borough
Salaries	\$66,673	\$58,086	\$74,941	\$50,314
Purchased Professional Services	\$13,501	\$2,075	\$2,260	
Other Purchased Services	\$2,390			
Supplies and Materials	\$863	\$655	\$304	\$1,669
Miscellaneous	\$1,041		\$4,866	\$5,411
Total	\$84,468	\$60,816	\$82,371	\$57,394
Enrollment	267	339	342	373
Per Pupil Cost (ADE)	\$316	\$179	\$241	\$154

Source: Comprehensive Annual Financial Report (CAFR)

The review team also examined the amount of money spent on business and other support services for 1998-99. The Riverton School District spent an average of \$316 on these services, which was \$125 higher than the three-district average of \$191. Other than salary, expenditures in this area in all four districts, are quite limited.

The costs for administrative salaries and benefits are determined by the number of persons employed and the amount and level of salary provided by the district. In the Comparative Analysis, Riverton's student/administrator ratio of 133.8 students per administrator compared to an average of 109.7 for the three similar districts. In addition, the faculty to administrator ratio was considerably higher than the comparison districts (Riverton's ratio was 13.2:1 as opposed to

an average of 9:1 in the other districts). The number of administrators in Riverton for 1998-99 was very reasonable. Further examination of all the areas pertaining to administrative functions indicate that Riverton is the least spending of all the districts by an average of \$78 per student. Riverton's average spending was \$868 compared to the three-district average of \$946.

	Riverton Borough	Allamuchy Township	Franklin Township	Stanhope Borough
General Administration	\$145,318	\$109,233	\$164,108	\$177,988
School Administration	\$0	\$130,981	\$69,016	\$113,944
Business and Other Support Services	\$84,468	\$60,816	\$82,371	\$57,394
Improvement of Instruction	\$0	\$9,496	\$10,596	\$1,522
Instructional Staff Training	\$2,007	\$4,060	\$5,509	\$0
Total	\$231,793	\$314,586	\$331,600	\$350,848
Enrollment	267	339	342	373
Per Pupil Cost (ADE)	\$868	\$928	\$970	\$941

Source: Comprehensive Annual Financial Report (CAFR)

The Riverton School District operates with minimal administrative and supervisory staffing. It was quite clear to the review team that resources in all areas of administration are allocated frugally and effectively.

TECHNOLOGY

Organizational Structure

The Riverton School District has a computer teacher and a media specialist who are responsible for the educational instruction aspect of computers and other related technology. The final decision in regard to any hardware or software purchases, how the technology will be used and by whom, rests with the superintendent.

Technology Plan

The district's initial technology plan was adopted in September, 1997 and subsequently updated in December, 1997 and again in April, 1999. The computer teacher, media specialist and superintendent review and revise the plan on a biennial basis, with the next update scheduled for May, 2001. The technology plan includes the district's mission, goals, current status, costs and timeline implementations.

The instructional council is a standing district committee through which community input is solicited for a variety of educational issues including technology. This committee is comprised of parents, teachers, and community members.

Grants

Under a federally funded program called the Universal Service Fund, the Education Rate Discount (E-rate) is available to provide discounts on telecommunications services, Internet access and Internet connections for K-12 schools. For the 1998-1999 school year, the district is receiving a 40% discount on the above services.

The Comprehensive Education Improvement and Financing Act of 1996 provides state aid to school districts to establish statewide distance learning networks by the 2001-02 school year. For the 1998-99 school year, the district received \$40 per pupil in Distance Learning Aid.

During the 1997-98 school year, the district applied for and received a grant totaling \$94,096 from the Technology Literacy Challenge Fund (TLCF). In order to receive this grant, the district had to select a technology partner from the private sector. The district partnered with the Saint Charles Borromeo School in Cinnaminson, NJ.

Hardware

The district has one Local Area Network (LAN) and approximately 71 computers for student use, of which 57 computers are multimedia Internet-connected personal computers (PCs). There is a minimum of one multimedia Internet-connected computer in each classroom. The students also have computer access in the library and in the computer lab. All classroom PCs run Windows 95, and the computer lab and the media center PCs are running Windows NT. All office PCs are running Windows 98. Based on the district's average daily attendance of 267, this represents a ratio of 3.76:1 students to overall computers and a ratio of 4.68:1 students to multimedia Internet-connected computers.

Technical Support

The district's computer teacher is responsible for software installation and the maintenance and repair of the district's 79 computers. This represents a ratio of 1:79 support staff to computers. For maintenance on the district's server the district contracted with a private vendor at the cost of \$380 per half day of service. The district estimates that it will need 15 to 18 half days per year at an annual cost of \$5,700 to \$6,840. For those PC and printer problems beyond the expertise of the computer teacher, the district purchased a block of 25 hours from another private vendor for computer or laser printer service. The total cost for this service is \$1,625.

Staff Development

The district believes that staff development is essential to achieve the successful integration of technology with curriculum. By using computers on a daily basis for instructional and administrative purposes the staff achieves a level of familiarity. The district holds in-service training for the teaching and administrative staff. Teachers also attended individual workshops in areas of needed and or desired growth. In addition, the staff can access educational support from the Educational Media and Technology Center of Burlington County (EMTC) and from the Educational Training Center of Burlington County (ETTC). The primary funding for the workshops and in-service training was Distance Learning Aid funds.

Internet

On February 5, 1999, the district signed a contract with a vendor to provide 128K dedicated ISDN Internet service for \$200 per month. The district compared several vendors including the NJ Access Program and found the selected vendor would be the least expensive. The district leases its ISDN lines from the local telephone company at a monthly cost of \$370.

Every teacher in the district has an email account via the school's web site. The district's web site recently won a Spotlight Award from ETTC of Burlington County for web site skill development, teamwork, language arts, literacy and technology. The district acts as the host for the Riverton Free Public Library web site, for the Riverton Project web site (a school/student project site) and for the Riverton Borough Hall link.

Software

Except for the variations in the PC operating systems, the district's educational and administrative software has been standardized for the 1998-1999 school year. The business office additionally uses an accounting software package that allows the office to access information on all line item accounts, check account balances, make adjustments between accounts, cancel purchase orders, issue and cancel checks, perform general ledger entries and create trial balances. In addition, the software allows the business office to update vendor files, perform check reconciliation, encumber funds and post payments to accounts.

Purchasing

The district has explored many of the available options for purchasing computers and related equipment. It has gone out for bid and used state contracts to purchase technology. Because of the district's size and storage space constraints it does not maintain an inventory of computer spare parts.

Policies

The district has an Internet acceptable use policy which requires the signature of the parent and student, prior to the student receiving access to the Internet. The policy states what is considered acceptable and unacceptable use of the district's Internet access.

The district also has a policy on the creation and placing of web pages on the Internet. The policy lists what type of subject matter is acceptable for web pages, what the quality of the subject matter should be, who retains ownership of the web page and its contents. In addition, the school board has several mandates about the type of information and links that are acceptable for school/student web pages. There also is a section on technical standards and consistency indicating the format and size of the web page that may be used.

Photocopiers

There are five photocopiers in the district. The district owns three of the photocopiers and the remaining two are leased with an option to buy for \$1 each when the lease expires. The district has a maintenance contract with a private vendor that covers four of the five photocopiers. The remaining unit is an older copier that will not be replaced when it breaks down.

The state recently entered into a cost per copy contract, which in essence enables entities, including school districts, to contract for the procurement of *photocopies*, rather than the photocopier equipment. Under this contract, the vendor provides the school district with a copier for its use. The district does not rent, lease or buy the photocopier, but rather purchases the photocopies. All equipment, parts and supplies with the exception of paper and staples are included in the monthly fee, which varies according to the monthly number of copies. An analysis was performed on the district's photocopiers comparing the current costs to that of the state contract.

Riverton Board of Education Photocopier Analysis								
Current Configuration								
	Make and	Monthly	Cost of	Cost of	Total Monthly	Cost per		
Location	Model	Copies	Lease	Maint/Supplies	Cost	Copy		
Business Office	Savin-9940	300	\$419.50	\$361.77	\$781.27	\$2.60		
Main Office	Savin-9700	42,819	\$419.50	\$587.77	\$1,007.27	\$0.02		
Faculty Room	Savin-9550	11,281	\$0.00	\$587.77	\$587.77	\$0.05		
2nd Floor	Savin-9650	14,095	\$0.00	\$587.77	\$587.77	\$0.04		
CST Office	Xerox-1012	300	\$0.00	\$3.33	\$3.33	\$0.01		
Totals		68,795	\$839.00	\$2,128.41	\$2,967.41	\$0.04		
State Contract								
	Monthly	Monthly	Monthly	Difference	Monthly	Monthly	Cost/Copy	Cost/Copy
	Copies	Minimum	Min. \$	Actual/Min	Diff. \$	Cost	Minimum	Excess
Business Office	300	45,000	\$400.50	0	\$0.00	\$400.50	\$0.0089	\$0.0089
Main Office	42,819	45,000	\$400.50	0	\$0.00	\$400.50	\$0.0089	\$0.0089
Faculty Room	11,281	12,000	\$117.00	0	\$0.00	\$117.00	\$0.0098	\$0.0098
2nd Floor	14,095	18,000	\$166.50	0	\$0.00	\$166.50	\$0.0093	\$0.0093
Totals	68,495	120,000	\$1,084.50		\$0.00	\$1,084.50	\$0.0158	\$0.0000

The analysis was unable to be performed on the 1998-99 school year due to the lack of accurate meter readings for the photocopiers. In addition, the district purchased an excess of copy paper for the 1998-99 school year, therefore, the number of copies produced could not be determined from the amount of paper purchased. Due to these reasons the analysis was performed on the 1999-00 school year.

The district entered into a 60-month lease for two high volume photocopiers on June 28, 1996 with a monthly payment of \$634. On January 25, 1999, 30 months into the lease, the district paid off the lease by renegotiating the contract with the vendor. The district purchased one of the photocopiers for a \$1 and the remaining unit, which was unreliable, was returned to the vendor. On January 26, 1999 the district entered into a new 60-month lease with the same vendor incurring monthly payments of \$839 for two high volume photocopiers. This is an increase of \$205 per month over the prior lease.

Recommendations:

The photocopier in the business office is a high volume versatile machine that can be used as a copier, computer networked printer and a scanner. However, this machine is underutilized and is currently only used as a photocopier making 300 copies per month.

By using the state contract the district could save \$1,883 monthly versus what is it currently paying. However, the district would incur substantial financial penalties by prematurely ending the current photocopier lease. It is recommended that the district consider gradually switching to the state contract as its owned photocopiers age and need replacement and when the district's current photocopier lease expires.

Cost Savings: \$22,595

Additional savings could be obtained if the district can shift 13,000 copies from the main office to the business office. This would enable the district to step down one level in photocopier costs using the state contract, reducing the monthly cost on the main office photocopier by \$138.

Cost Savings: \$1,656

Communications/Telephone

The Riverton School District budgeted an estimated total of \$14,031 for communications/telephones in the 1998-99 school year. This calculation was based on specific budget amounts for Bell Atlantic-NJ (regular service - \$7,600), Bell Atlantic-NJ (pay phone service - \$540), Bell Atlantic-NJ (computer lines - \$2,340), AT&T (long distance service - \$1,150), Pagenet of Philadelphia (pager service - \$400), and postage (\$2,001). The actual expenditures in 1998-99 totaled \$10,051.

In comparing Riverton's actual expenditures from 1996-97, 1997-98, and 1998-99 a significant decrease in 1998-99 was noted. Keeping in mind that this is an unaudited figure, a saving of approximately \$2,340 was indicated based on the district's three-year spending average. The business administrator attributes this reduction in telephone costs to be a direct result of the new telephone system purchased in the 1996-97 school year. This system provides the district with the latest efficiencies in communications technology and adds intercom/paging capabilities in each classroom. The system has a sufficient number of telephone, fax, modem, and computer lines to accommodate the needs of the district.

A further review of bills from Bell Telephone, AT&T, and Pagenet of Philadelphia indicates that costs are kept to a minimum. Regular telephone service bills reflect minimal charges with no significant usage of directory assistance. The AT&T long distance service is primarily used for business. Since the district does not have a written policy for long distance personal calls, a log sheet is placed in the main office and used to record all personal calls made by the staff. The monthly AT&T bills are reviewed and compared to the log sheet. The user then reimburses the

district for any personal calls. A pay telephone is also available for use by anyone in the school. This phone is contracted through Bell Atlantic at a minimal monthly fee with no profit to the district.

There are no cell phones in the district and only one pager in use. This pager is assigned to the full-time supervisor of buildings and grounds. Because of higher costs in prior years for pager service, the district changed its provider to Pagenet of Philadelphia in the beginning of the 1998-99 school year resulting in a significant saving of approximately 50%.

In a final comparison to similar districts, the Riverton School District shows a definite cost containment in communications and telephones. The following table illustrates Riverton's low ranking relevant to the average costs of the three comparable districts.

**Comparison of Communications/Telephone Costs
1998-99 School Year**

	Riverton	Allamuchy	Franklin	Stanhope	Three District
	Borough	Township	Township	Borough	Average
Number of Employees	44	50	47	46	48
Comm./Telephone Costs	\$10,051*	\$10,199	\$9,312	\$15,269	\$11,593
Cost per Employee	\$228	\$204	\$198	\$332	\$245

*This is an unaudited figure due to omission in the Comprehensive Annual Financial Report for the fiscal year ending June 30, 1999. The actual expenditure of \$10,051 was an amount presented by the business manager, based upon bills paid in 1998-99. The review team after examining all expenditures agrees with the \$10,051 total.

The Riverton School District managed to notably decrease telephone costs in the 1998-99 school year. As previously reported, the savings are attributed to communication efficiencies directly resulting from the installation of a Partner II System in 1997. Additionally, further attempts to contain costs were evidenced in Riverton's efforts to find a pager service provider with a much lower rate.

Since they do not use cellular phones, utilize only a single pager, and have only the necessary modem, fax, and computer lines, they have eliminated the possibility of generating excessive and frivolous spending often associated with these items. The district is to be commended for conscientiously and efficiently addressing its specific needs in this area.

Recommendation:

Although employees of the Riverton School District minimally use telephones for personal long distance calls, and prudently reimburse the district monthly when they do, a formal written telephone use policy should be issued. A written policy would ensure against a negative impact on long distance charges, and at the same time officially address the issue of personal telephone calls.

INSTRUCTION

The Riverton School District has a superintendent who also serves as the building principal. She is responsible for curriculum development and implementation of the core curriculum standards of the New Jersey Department of Education. The district has a detailed five-year plan and a library of curriculum materials located in the superintendent's office.

According to the New Jersey Education Association publication, Basic Statistical Data (1998), Riverton's teacher salary cost per pupil in 1997-98 was \$3,598. The statewide average for all school districts in 1997-98 was \$3,907. Riverton's salary cost was 7.9% below the state average. The chart below indicates the average teacher salary in both Riverton and the three comparison districts. Riverton's salary was \$135 or 3.5% lower than on a per pupil basis.

Teachers' Salary Cost per Pupil	1997-98
Riverton Borough	\$3,598
Allamuchy Township	\$4,010
Franklin Township	\$3,544
Stanhope Borough	\$3,645

Instructional materials which include expenditures for classroom supplies and textbooks for all instructional programs was \$91 per pupil in Riverton in 1997-98. This was 54% below the state average of \$198. The information presented below also indicates that Riverton's cost was \$146 below the three-district comparison average of \$237.

Instructional Materials Cost per Pupil *	1996-97	1997-98
Riverton Borough	\$283	\$91
Allamuchy Township	\$385	\$221
Franklin Township	\$161	\$244
Stanhope Borough	\$105	\$230
State Average	\$191	\$198

*NJEA Research

The Riverton School

The Riverton Elementary School is a three story brick structure located in the residential heart of the school district. The original building was constructed in 1910 and forms the central core of the school. Later additions included a gymnasium, library, office areas, some regular instructional classrooms and a large open space area for instruction. The latter has since been divided/converted into more conventional instructional areas. The gymnasium also serves as an auditorium and in recent years as a cafeteria. Students in the district still have the option to go home for lunch. There are two play areas available to students. A large fenced black topped area across the street from the school is primarily for upper grade students. This area includes basketball standards and some swings. There is also a fenced area immediately behind the school for younger students. It has minimal equipment and is in need of some updating. All students walk to school and there is no in-district transportation system.

The school housed 267 students in 1998-99 with an average class size of 17. The district has a spacious kindergarten center and offers a full-day program with an option for a half-day. There are 20 regular classrooms (this includes divided open space areas), computer room, media center and gymnasium. There is only one small group area and storage space is minimal.

An analysis of the staffing pattern of the Riverton School indicates that all grade level enrollment averages are below the levels recommended in the Comprehensive Plan for Educational Improvement and Financing (1996) issued by the New Jersey Department of Education. Recommended class sizes based on a school size of 500 (elementary) and 675 (middle school) were 21 in grade kindergarten through 3, 23 in grades 4 and 5, 22.5 in grades 6 through 8. Elimination of staff at the primary level of grades 2 or 3 would push class size to 24% over the recommended level. Likewise, elimination of a teacher at the 7th or 8th grade would result in class size 29% over the recommended level. This would also severely limit the scheduling flexibility that allows the district to incorporate a middle school concept in the instructional program.

Grade Level	Number of Classes	Average Class Size
Kindergarten	1	19
Grade 1	1	21
Grade 2	2	13
Grade 3	2	13
Grade 4	2	19
Grade 5	2	19
Grade 6	1	27
Grade 7	2	15
Grade 8	2	15
Special Education	3	10

The district has managed its facility quite well with limited funds. Items in need of repair and/or replacement are usually taken care of through the budget process. The problem the district now faces is with items that need to be replaced but are beyond the scope of the community's limited resources (regular budget). The heating system, some windows and lavatory areas carry large price tags and need to be addressed in the near future (refer to facilities section of this report). The board of education and the administration are now in the process of addressing the building's major physical needs through a bond referendum proposal.

Assessment

In March, 1999, the eighth grade students of the Riverton School participated in the required statewide assessment test, the Grade 8 Proficiency Assessment (GEPA). In the language arts section of the test 100% of the students scored either proficient (73.9%) or advanced proficient (26.1%). The mean score was 240.1. In the mathematics portion 86.9% of the students scored either proficient (82.6%) or advanced proficient (4.3%) with an overall mean score of 217.8.

Fourth grade students participated in the new Elementary School Proficiency Assessment (ESPA) in May, 1999. The results in language arts indicated that 86.7% of the students scored at

the proficient (80%) or advanced proficient (6.7%) level with a mean score of 219.8. In mathematics, 96.6% of the students scored at the proficient (73.3%) or advanced proficient (23.3%) level with an overall mean score of 234.6. Science scores showed all students scoring in either the proficient (33.3%) level or advanced proficient (66.7%) level. The mean score for science was 252.7. This was the first administration of this measure and Riverton's results placed the district very high in the overall results and the highest in Burlington County.

According to the 1999 Quality Assurance Annual Report (QAAR), the Riverton School District administers the IOWA achievement test to students in grade one through three and grade five through seven. The battery is designed to measure student achievement in the areas of reading, mathematics, language and social studies. Student achievement at all levels and in all subjects, with the exception of second grade science, was at the 70th percentile or above.

The review team had the opportunity to tour the Riverton School and observe many of the classrooms in operation. The school climate during both the regular school day and at school activities was warm and friendly. The school has well-established routines from the time students arrive until the last activity is completed. The district emphasizes the basics but also offers a curriculum that includes world language, technology, art, music, physical education, health and library/media services. The staff and community have high expectations for student achievement and student behavior.

Special Education

The Riverton Public School had 38 resident in-district students in its special education program for the 1998-99 school year. They also received three tuition students from other districts for a total of 41 students. These students were identified as learning disabled and classified as having one or more disabilities. Additionally, 14 students are educated at Palmyra High School and 13 students are in out-of-district placements.

Riverton provides a full range of services to its in-district students to meet the educational goals and objectives established by the Child Study Team (CST) through each child's Individual Education Plan (IEP). The CST consists of a full-time director/support service coordinator who also serves as the school psychologist, a learning disability teacher, a speech correctionist, and a social worker (one day per week).

The special education program is staffed by two full-time special education teachers, one part-time special education teacher, and three special education aides. There are two self-contained classrooms, a resource room, and part-time speech services. Additional related services such as occupational therapy and physical therapy are provided by contract through the Burlington County Educational Services Unit (BCESU).

In 1998-99 school year, the data provided by the CST indicated that there were five initial special education classifications, seven new referrals, and 19 re-evaluations (including high school). Prior to classification, the CST, with the assistance of the School Resource Committee (SRC), refers students to a basic skills program, a mentor, and/or a tutor when appropriate. The SRC is a

committee composed of CST members, the superintendent, a special education teacher, a regular education teacher, and the school nurse. The SRC often identifies many students requiring basic skills.

Some concerns expressed by the staff during the team's visit were with parents who sometime request student classification when it is not warranted. Additionally, there were concerns expressed by the social worker regarding the increased number of students with Pervasive Developmental Disorder (PDD), and students with emotional issues. The impact of time constraints and costs impose limits on the social worker in dealing with these issues.

Findings:

The review team found that the district's special education program was appropriately staffed with teachers and aides according to class size, and in compliance with Resource Programs & Group Sizes (N.J.A.C. 6A:14 - 4.6).

The Riverton Board of Education has entered into an agreement with the Burlington County Educational Services Unit as a third party administrator, to provide the CST with supplemental staff and related services as required.

Transportation for out-of-district students is contracted through a joint transportation agreement with the Burlington County Educational Services School District and the Riverton Board of Education.

District costs for Special Education services provided within the district are reasonable. The district has expressed concern about unanticipated cost for high school services (both in- and out-of-district). The Riverton School District is encouraged to continue to explore all avenues of relief available for these additional financial expenditures.

Basic Skills

The Riverton School District in 1998-99 had 22 students receiving basic skills instruction in grades kindergarten through eighth. These include students associated with the Child Study Team (CST) who were also receiving supplemental instruction in reading, writing and language development.

Eligibility for the Basic Skills Improvement Program (BSIP) is determined through teacher observation and recommendation. In addition, the IOWA Test of Basic Skills, administered in the fourth grade, is used for placement into the program. When selecting students to participate in the program, rather than consider just the one test score, the staff reviews past performance and the students' entire profile before making a determination.

The Elementary School Proficiency Assessment – Grade 4 (ESPA) is a new state test for fourth grade students. The ESPA was designed to give educators information about fourth-grade achievement in the areas required by New Jersey's Core Curriculum Content Standards. The following content areas are being tested: language arts literacy, mathematics, science, and visual

and performing arts. Students not meeting the district established minimum levels of proficiency in reading, language arts and math are required to participate in a remedial program. The Integrated Replacement Instruction Program, as developed by the New Jersey Department of Education, serves as the Riverton School District's model for its Basic Skills Improvement Program.

Basic skills students in the elementary grades receive 30 minutes of instruction four times per week in reading. Instruction time for math is 30 minutes two to three times per week. This time is adjusted according to development in the upper grades. The district utilizes a combination of in-class support and a pull-out program.

Based upon the 1998-99 Comprehensive Annual Financial Report (CAFR), Riverton is spending 69% less for its Basic Skills Improvement Program than the average among the comparative districts selected for this report.

Riverton Board of Education and Comparable School Districts Basic Skills/Remedial - Instruction 1998-99						
		% Total				
	Riverton	Operating	Allamuchy	Franklin	Stanhope	Two District
Basic Skills/Remedial - Instruction	Borough	Expense	Township	Township	Borough	Average*
Salaries of Teachers	\$15,115	100%	0	\$54,294	\$39,824	\$47,059
General Supplies	0	0%	0	\$453	\$730	\$592
Other Objects	0	0%	0	\$1,237	0	\$619
Total Basic Skills	\$15,115	100%	0	\$55,984	\$40,554	\$48,270
Total # Students	267		339	342	373	358
Total Cost Per Pupil	\$56.61		\$0.00	\$163.70	\$108.72	\$134.83
Source: 1998-99 Comprehensive Annual Financial Report (CAFR)						
*The Allamuchy School District does not offer BSI. The Comparable School District Average is a two district average.						

The basic and remedial skills program meets the needs of the district and its student population in a cost-effective and efficient manner.

Bilingual/ESL

The Riverton School District did not enroll any Limited English Proficient (LEP) students during school year 1998-99. In November of 1998, the district submitted the required notification form to the New Jersey State Department of Education, Office of Bilingual Education and Equity Issues for the current school year. This document verifies that the district does not expect any LEP enrollment and will therefore not be submitting the 1998-99 annual spring Bilingual/ESL Program Plan or English Language Services Plan updates. This form is routinely submitted every year due to 0% enrollment.

If needed, the district has an inclusive English Language Services Program in compliance with the State of New Jersey guidelines. Any student entering the district in need of these services will be referred to the district's plan of administering an appropriate assessment and designing an instructional program.

Guidance

The Riverton School District does not have a formal guidance program. Various staff members and the administration provide an informal program. In addition, a number of supplemental programs are secured through the county office. The programs are primarily small group instruction concentrating on self-awareness. Funding is provided through various non-competitive grants. Specifically, there is a program on peer mediation/conflict resolution, the Child Assault Prevention (CAP) Program, and the Drug Abuse Resistance Education Program (DARE). The school district also pays a stipend to an in-house staff member who gives instruction to various age groups on self-esteem, drug awareness, Camp Fire Boys and Girls, and the Begin Alcohol Basic Education Study (BABES) program. It should be noted that there are no established requirements for guidance in the elementary grades as students of this age grouping do not have tremendous demands for college and career counseling.

The New Jersey Department of Education's Comprehensive Plan for Educational Improvement and Financing recommends the ratio of one counselor for every 500 elementary students. This ratio drops to one counselor for every 338 middle school students. The line item for support services – guidance for school year 1998-99, represents the funds the district expends for the services of a speech correctionist. Thus, the total guidance cost per pupil does not accurately represent guidance services actually being provided. It should also be noted, that with one exception, the comparison districts do not provide these guidance services either.

Riverton Board of Education and Comparable School Districts					
Undistributed Expenditures - Other Support Services – Students – Regular (Guidance) 1998-99					
		% Total			
	Riverton	Operating	Allamuchy	Franklin	Stanhope
Support Services - Guidance	Borough	Expense	Township	Township	Borough
Salaries	\$25,852	100%	\$0	\$36,274	\$0
Purchased Professional - Educational Services	\$70	0%	\$0	\$0	\$0
Other Purchased Professional & Technical Services	\$0	0%	\$2,823	\$0	\$0
Supplies and Materials	\$0	0%	\$3,062	\$229	\$9,627
Other Objects	\$0	0%	\$0	\$60	\$2,669
Total Support Services - Guidance	\$25,922	100%	\$5,885	\$36,563	\$12,296
Total # Students	267		339	342	373
Total Guidance Cost Per Pupil	\$97.09		\$17.36	\$106.91	\$32.96

Source : 1998-99 Comprehensive Annual Financial Report (CAFR)

Recommendation:

It is recommended that the district expand the guidance program to include classroom guidance lessons, small groups and some individual counseling sessions. This would help students enhance their skills and knowledge in the areas of personal development and interpersonal skills, and to explore career possibilities.

Library/Media Services

The Riverton Board of Education has defined the objectives of the library/media center as one to “implement, enrich, and support the educational program, and to assist the student in developing

reading skills, literary taste, discrimination in choice of materials, and skill in the use of books and media center.” This is accomplished through the teaching of library and research skills, and through book talks and storytelling for grades kindergarten through eight.

The School Library Bill of Rights is utilized as the basis for the selection of library materials. Further guidelines for selection of materials include: the children’s catalog, the Bro-dart elementary book collection, the American Academy of Applied Sciences (AAAS) list, a basic book collection for elementary grades, a subject index to books for primary and intermediate grades, a text book supplementary list, and other materials approved by certified libraries, the American Library Association (ALA), the Library Journal, and the National Council of Teachers of English.

The Riverton School District has one library/media center, which serves the entire school community. The library/media center is situated in the core of the school building and is well-suited to the needs of the various levels of student clientele. The center has separate entrances and work areas for the lower and upper grades. The computer workstations are accessible to all grade levels. The center is staffed by the librarian/media specialist supplemented by assistance from community volunteers and a part-time library aide. Hours of operations include regular school hours with some extended time, which is dependent on the schedule of the librarian/media specialist.

The district advocates a collaborative arrangement whereby the homeroom teacher, computer teacher and the media specialist all contribute their various methodologies to an inter-disciplinary research process. The district also utilizes the local municipal library through weekly visits by the first grade class.

The library/media center curriculum is committed to technological expansion so those students will be able to gain access to resources within and outside the school setting. There are currently linkages with the local municipal library and the Burlington County Library. In addition, there are various information databases in place including Cybertrick, Athena, and NewsBank.

The librarian/media specialist has been instrumental in various projects, which emphasize the integration of technology into the school, specifically: the Technology Literacy Challenge Fund, the school web page, an online history of Riverton, and the school Technology Plan.

Riverton Board of Education and Comparable School Districts Educational Media Services/School Library 1998-99						
		% Total				
	Riverton	Operating	Allamuchy	Franklin	Stanhope	Three District
Educational Media Services/School Library	Borough	Expense	Township	Township	Township	Average
Salaries	\$35,512	87.4%	\$25,000	\$6,258	\$37,803	\$23,020
Purchased Professional Education Services	\$2,547	6.3%	\$1,326	0	\$41,974	\$14,433
Supplies & Materials	\$2,479	6.1%	\$4,682	\$10,440	\$7,346	\$7,489
Other Objects	\$100	0.2%	0	\$125	0	\$42
Total Educational Media Services/Library	\$40,638	100%	\$31,008	\$16,823	\$87,123	\$44,985
Total # Students	267		339	342	373	351
Total Library Cost Per Pupil	\$152.20		\$91.47	\$49.19	\$233.57	\$128.16
Total Library Cost Per Pupil - Salaries	\$142.54		\$77.66	\$18.30	\$213.88	\$106.70
Total Library Cost Per Pupil - Supplies & Materials	\$9.66		\$13.81	\$30.89	\$19.69	\$21.46
Source: 1998-99 Comprehensive Annual Financial Report (CAFR)						

The total cost per pupil including salaries for the Riverton district is higher than the average of the three comparable school districts. This figure only represents where the individual librarian happens to fall within the range of the particular collective bargaining agreement and the amount of time assigned to the duty. In terms of a full-time service comparison, the Riverton School District expends comparable funds. In contrast, the total cost per pupil – supplies and materials for the district is 55% below the three-district average. This indicates a very aged book collection. The librarian/media specialist statistics document 6,069 titles of which 19 books are copyrighted from 1996-98. In the span from 1990-98, there are a total of 1,040 titles. The median copyright date is 1976 and a mere 17% of the book collection is current. The primary source of funding for the library/media center is the school budget, with additional funds from book fair revenue, PTA donations, and individual parent donation.

Development of the collection has been targeted a priority for the future. Planned resources include access to more online reference sources, such as Newsbank's School Mate (primary sources for research from magazines, wire service, and maps), World Book Encyclopedia Online, and enhancements of the Athena online system to include cataloguing and Internet reference access. The school district should be commended for the purchase of information databases, which maximize both the number of users and available resources.

Recommendation:

The review team is aware of the cost involved in keeping a library collection current. The team also understands the limitations of the school budget and the constraints it places on increased demands for funding in various departments. It is recommended that the school and municipal libraries, the Friends of Riverton and other identifiable community groups join forces to address this issue. By engaging all these groups, channeling resources, and raising awareness of this issue, a long-range plan for collection development can be formulated.

Co-curricular and Athletics

These activities represent a district's efforts to supplement the curriculum with activities that enrich the student's character and broaden their areas of interest. This is achieved through sponsored activities such as clubs, bands, orchestras, entertainment and publications.

Riverton has approximately 17 clubs and teams including a chess club, student council, school newspaper and intramural volleyball, field hockey and softball. In addition, they compete interscholastically in boys and girls basketball. The Riverton School District spent \$12,582 on co-curricular activities in 1998-99, which is approximately \$47 per student. While this represents the second lowest dollar amount, it is 21% higher than the three-district comparison average.

Riverton Board of Education School Sponsored Co-curricular Activities - Instruction 1998-99						
		% Total				
	Riverton	Operating	Allamuchy	Franklin	Stanhope	Three District
School Sponsored Co-curricular Activities	Borough	Expense	Township	Township	Borough	Average
Salaries of Teachers	\$11,015	88%	\$9,362	\$16,931	\$7,660	\$11,318
Purchased Services	\$1,456	11.9%	\$28	\$4,310	0	\$1,446
Supplies and Materials	\$111	0.1%	0	0	\$2,880	\$960
Total Cost Co-curricular Activities	\$12,582	100%	\$9,390	\$21,241	\$10,540	\$13,724
Number of Students	267		339	342	373	351
Total Co-curricular Cost Per Pupil	\$47.12		\$27.70	\$62.11	\$28.26	\$39.10
Source: 1998-99 Comprehensive Annual Financial Report (CAFR)						

According to the New Jersey Department of Education Comparative Spending Guide (1999), Riverton ranked 34 out of 65 in a low to high statewide ranking of districts of similar type (K-8 with total enrollment up to 400 students) for athletic and co-curricular spending. Although most of a district's athletic and co-curricular spending occurs at the high school level, its cost per pupil and resultant ranking are calculated based upon the district's entire enrollment. The Riverton School District's co-curricular and athletic program is varied in order to appeal to a wide area of student interest. Student participation is high and the programs enjoy the enthusiastic support of the community.

Professional Development

The Riverton School District reported expending \$12,600 on professional development during the 1998-99 school year. The superintendent, in cooperation with the staff, establishes the general workshop day topics and agenda. Tolerance, peer mediation, technology and safety were among the topics covered. During the course of the school year, individual staff members are allowed and encouraged to attend workshops of a professional nature. Cooperative workshops were held with the Palmyra and Beverly School Districts twice during the school year on the topic of human relations. Inservice activities were also held on various technology topics. The sources of funding for all programs were either the Title II grant, the technology grant, budgetary funds or a grant from a local municipal alliance. All professional leave must be approved by the board of education.

The professional development program in Riverton is used to reinforce the educational goals and objectives of the district. Included in the program were such projects as:

- Board funded reimbursement for college credit work.
- Board funded workshops, seminars and presentations in support of the curriculum.
- Staff is offered training in many technology areas in order to increase competency and reduce anxiety over this rapidly changing area.
- New teachers are given the opportunity to participate in a number of activities designed to help them in preparing strategies for help in and out of the classroom.

Five days are included in the school calendar for staff professional development. Two are scheduled at the start of the school year, two are held during the school year and one is held at the conclusion of the school year. New teachers are assigned a mentor and the Superintendent meets with them on a regular basis prior to and during the school year on professional development issues.

Health Services

There is one school nurse who is responsible for supportive health services for all students and staff. This includes the provision of health screenings, maintenance of individual health records, and service as an active member of the Child Study Team (CST). The nurse is responsible for distributing, receiving and evaluating forms for free and reduced lunch in school. She also functions as health educator for personal hygiene, illness, fire safety, nutrition, stranger awareness and self-esteem at the kindergarten through second grade levels.

The school physician provides routine physicals for third, fifth and seventh grade students. The physician is also available on Wednesday afternoons for employee physicals. The school nurse assists and provides information to the school physician when various physical screenings are conducted.

The Average Daily Enrollment (ADE) for the Riverton School District is 267 students. This represents the nurse's workload. The recommendations contained in the Department of Education Comprehensive Plan for Educational Improvement and Financing indicate that acceptable staffing levels of nurses to students are 1:500 at the elementary level and 1:675 at the middle school. Utilizing the 1:500 ratio for elementary school students, the ADE of Riverton is exceeded by 233 or 47% above the minimum recommendation. This indicates that the students at Riverton are provided more than sufficient nursing coverage. The review team analyzed Riverton's expenditures for health services in relation to the three comparable school districts. Riverton spent \$149.74, which is 16% higher than the \$129.09 average expenditure per student for all of the selected districts.

Riverton School District and Comparable School Districts Health Services Operational Costs 1998-99						
		% Total				
	Riverton	Operating	Allamuchy	Franklin	Stanhope	Three District
Health Services	Borough	Expense	Township	Township	Borough	Average
Salaries	\$38,115	95%	\$39,749	\$31,298	\$56,945	\$42,664
Purchased Professional & Tech Services	\$1,500	4%	\$2,535	\$1,378	\$0	\$1,304
Other Purchased Services	\$0	0%	\$0	\$389	\$0	\$130
Supplies and Materials	\$365	1%	\$2,326	\$801	\$505	\$1,211
Other Objects	\$0	0%	\$179	\$108	\$0	\$0
Total Health Services	\$39,980	100%	\$44,789	\$33,974	\$57,450	\$45,309
Total # Students	267		339	342	373	351
Health Cost Per Pupil	\$149.74		\$132.12	\$99.34	\$154.02	\$129.09
Source : 1998-99 Comprehensive Annual Financial Report (CAFR)						

Recommendation:

As mentioned in the section on guidance, the school district does not have access to a full complement of programs. A stipend is paid to a regular education teacher who provides specific programs on personal development. In addition, there is a high school guidance counselor who provides assistance with scheduling of high school classes to eighth grade students. It is recommended that the school nurse be provided with the opportunity to assume greater responsibility as liaison among students, parents, staff and community. Possibilities may include classroom instruction on anger management, responsibilities in the community, and exploration of talents and skills. This would encourage academic success while minimizing adjustment problems.

BUSINESS OFFICE

Cash Management

The team reviewed the bank accounts maintained by the Riverton Board of Education for the purpose of identifying whether the district obtains competitive interest rates from banks and operates efficiently by reducing costs associated with maintaining its banking accounts.

During August, 1999, the district switched its banking relationship from a large statewide bank to a smaller bank based in Burlington County, that maintains a branch in Riverton. The district's current bank pays interest on all five of the district's bank accounts and does not require a minimum monthly balance or charge any account fees.

An analysis was performed on the total amount of interest the district earned for the period August, 1999 to January, 2000. The average monthly balances for all accounts for this period ranged from \$25,346 to \$617,758. During this period, the district earned \$8,645 in interest income.

Month/Year	Bank Interest Rate	Interest Earned	Average Daily Balance
August 1999	4.04%	\$76	\$25,346
September 1999	4.38%	\$497	\$138,276
October 1999	4.22%	\$1,205	\$359,153
November 1999	4.50%	\$2,266	\$577,386
December 1999	4.70%	\$2,467	\$617,758
January 1999	4.86%	\$2,134	\$522,583
TOTAL		\$8,645	

There are other financial vehicles that the district could invest its funds into, such as the New Jersey Cash Management Fund (NJCMF) and 91-Day T-Bills. However, NJCMF and T-Bills do not provide services such as check printing and check processing. Taking into account the costs of these services the district receives competitive rates for its funds.

Recommendation:

The district should maintain a banking relationship with at least one other bank. This helps foster ongoing competition and helps keep the district quickly informed of new developments and products in the banking world. In addition, approximately every three years, the district should send out Request for Proposals (RFP's) in order to be sure it is getting the best possible banking services and to ensure it is receiving competitive interest rates.

Organizational Structure

The business office consists of two full-time employees and one part-time employee: a business administrator/board secretary, one secretary and the school treasurer.

The business administrator/board secretary is responsible for the operation of the business office, financial reporting, the preparation of the annual school budget, and the responsibilities of the board secretary.

The office secretary is responsible for the issuance of purchase orders and payment of vendor invoices. In addition, she is responsible for the postings to the various accounts and for health benefit coordination.

The treasurer of school monies is responsible for the preparation of bank reconciliation statements and the treasurer's report. In addition, she is responsible for the receipt and deposit of various monies.

Inventory Control

The inventory control system is centralized in both ordering and storage. All supplies are ordered through the business office and office supplies are stored in a locked closet located

within the business office premises. Janitorial supplies are stored in a separate locked room. All supplies are purchased under state contract or through the Burlington County Educational Services Unit.

Annual Audit

An analysis was conducted to determine if the district receives competitive proposals from accounting firms for the completion of its annual audit and whether the district corrects any deficiencies found in the audit.

The school district has utilized the same accounting firm for several years to complete its annual audit. For the 1998-1999 school year, a fee of \$9,200 was charged for this service. Although the appointment is confirmed on an annual basis the board does not seek proposals from other firms so that it might compare costs. It was unclear as to the last time the board had gone out for an RFP. Three local districts were surveyed as to their fees and the charges appear to be appropriate for the local area.

Three years of audits were reviewed and it was found that the district does a good job of maintaining proper accounting and internal controls. In each of the three years of audits reviewed there were no deficiencies noted.

Recommendation:

The district should periodically prepare an RFP to seek out competitive proposals from other qualified accounting firms for the completion of its annual audit. Although the district may be satisfied with the current level of service, it is in the best interests of the community to periodically ascertain that the rate charged remains competitive.

Sending and Receiving Relationship

The Riverton School District has been in a sending and receiving relationship with the Palmyra School District for almost 90 years. The district currently sends 67 students grade 9-12 to the high school. This relationship is reaffirmed on a yearly basis by Riverton Board action on a tuition contract agreement. The amount agreed on (estimated cost per pupil) minus any prior year's adjustment is paid in 10 equal monthly payments. For the school year 1998-99, the Riverton District approved a contract in the amount of \$603,060 which equals a charge of \$7,935 for the projected 76 students. In addition, the Riverton District pays for any special education costs that students may require at a cost of approximately \$45,000 (1998-99 - 3,960 hours). The administration and members of the board have expressed concern over the calculation of these additional special education fees over which they have no control. Reconciliation of the tentative per pupil charge and the actual per pupil charge is made no later than the third year following the contract year.

INSURANCE

Property and Casualty

In the 1998-99 school year, the district-wide Property & Casualty, Liability, Automobile, Excess Liability and Boiler & Machinery insurance was placed with a pooled insurance plan through the brokerage firm that handles all of the district's policies. The annual cost of the coverage was \$17,407 less rebate distributions.

In an effort to save the district money, the broker conducts an annual review of the district's insurance policies and shops for better premiums. For the 1999-00 school year, the broker proposed placement of the insurance with a joint insurance fund. The district saved about \$5,500 in the annual assessment.

The new insurance fund offered the district a significant increase in coverage at reduced costs. The Errors & Omissions Policy was placed with another carrier even though it was more expensive than the options. The enhanced level of coverage and the reputation of the carrier were significant factors in the decision.

The team noticed that the district lacked flood insurance although the town is located along the banks of the Delaware River. In the discussion with the broker, the team learned that Riverton does not fall within the flood plain.

Workers' Compensation

The workers' compensation insurance policy was also moved to the joint fund. The district realized savings of \$2,800, which is reflected in the \$5,500. A review of the record indicates that there have been no workers' compensation claims in recent years.

FACILITIES

Facility Management

The review team generally tours all school facilities and grounds focusing on conditions, maintenance and upkeep. The district facility is a single brick building, consisting of approximately 39,000 square feet of space. The original 1910 structure was first renovated in 1935. A new wing was added in 1955, which included the multi-purpose room, administrative offices, and the library/media center. The final addition was completed in 1973 and includes the kindergarten classroom, a large open space area and the business area.

Overview

The enrollment history of the district indicates that enrollments have been decreasing slightly since 1982-83. In that year, there were 278 students in grades K-8, not including special education. In 1998-99 there are 237 students, not including special education.

Riverton Elementary School Facility Profile

Type	Present Enrollment	Square Footage
Elementary K – 8	267	39,000

Regular education classrooms meet the demands of the program but the art, music and science classrooms, which require special accommodations, do not have the required space available. These extra accommodations include acoustics and storage for music, and sink space, storage, and more work areas for art. Similarly, the auditorium/cafeteria/gym is adequate for any one use but as a multiple space it becomes less adequate in terms of scheduling, knockdown and set-up times.

Teachers are in need of more adequate classroom workspace, a conference area for meeting with parents, and personal property storage. Storage of instructional supplies, books and maintenance supplies is extremely limited. In addition, there is no storage for equipment that is not always in use. As an example, some physical education equipment is stored outside in an unprotected courtyard. The administrative space for the general office, superintendent and secretarial staff is very cramped.

In spite of these conditions, the maintenance and custodial personnel keep the facility clean, operational and functionally sound. The heating and ventilation system is of questionable efficiency especially in the older portions of the building. The review team experienced uneven heating and air exchange at various times. The current infrastructure needs to be examined by facility professionals to determine the adequacy of the existing heating, ventilation, air conditioning (HVAC), electrical, plumbing and other building systems to support the educational needs and goals of the district.

Staffing

The district payroll indicates that the facilities and maintenance department consists of two custodians and a supervisor of buildings and grounds who oversees the custodians. The district payroll for the buildings and maintenance departments was \$46,275 for two personnel. The night custodian was hired after the close of the 1998-99 school year.

Cost of Operations

According to the 1998-99 Comprehensive Annual Financial Report (CAFR), the total cost for school maintenance and plant services for the 1998-99 school year was \$182,758 or \$4.68 per square foot for 39,000 gross square feet of space.

Riverton Board of Education and Comparable School Districts Operation and Maintenance of Plant Services 1998-99						
		% Total				
	Riverton	Operating	Allamuchy	Franklin	Stanhope	Three District
Allowable Maintenance for School Facilities	Borough	Expense	Township	Township	Township	Average
Salaries	\$68,203	37%	\$38,588		\$690	\$13,093
Cleaning, Repair and Maintenance Services	\$0	0%	\$10,316		\$0	\$3,439
General Supplies	\$0	0%	\$12,288		\$417	\$4,235
Sub-Total Allowable Maint. for School Facilities	\$68,203	37%	\$61,192		\$1,107	\$20,766
Other Operation & Maint. of Plant Services						
Salaries	\$27,110	15%	\$103,686	\$117,184	\$131,232	\$117,367
Purchased Professional & Technical Services	\$960	1%	\$21,293	\$15,677	\$11,470	\$16,146
Cleaning, Repair and Maintenance Services	\$0	0%	\$10,350	\$52,499	\$514	\$21,121
Other Purchase Property Services	\$1,343	1%		\$0	\$3,892	\$1,297
Rental of Land & Buildings	\$0	0%	\$0	\$0	\$3,168	\$1,056
Insurance	\$22,730	12%	\$14,176	\$16,297	\$34,176	\$21,550
Miscellaneous Purchased Services	\$6,609	4%		\$929	\$3,937	\$1,622
General Supplies	\$10,086	6%	\$9,031	\$4,777	\$12,006	\$8,605
Energy (Heat and Electricity)	\$41,241	23%	\$63,995	\$60,733	\$37,831	\$54,186
Other Objects	\$4,476	2%	\$67	\$930	\$75	\$357
Sub-Total Other Oper. & Maint. of Plant Svcs.	\$114,555	63%	\$222,598	\$269,026	\$238,301	\$243,308
Total Maintenance School & Plant Services	\$182,758	100%	\$283,790	\$269,026	\$239,408	\$264,074
Total # Students	267		339	342	373	351
Total Operation Cost Per Pupil	\$684.48		\$837.13	\$786.63	\$641.84	\$755.20

Source: 1998-99 Comprehensive Annual Financial Report (CAFR)

To effectively evaluate operating expenses, it is necessary to “compare” the level and cost of services between the Riverton School and other available benchmarks. The American School and University (ASU), a national publication for facilities, purchasing and business administration, performs annual maintenance and operations surveys of school districts around the country. They provide reports on the cost to operate schools (including payroll, outside contract labor, gas, electricity, heating fuel, equipment and supplies, etc.) on a regional level. Region 2 includes New York and New Jersey.

COMPARATIVE FACILITY OPERATING COSTS IN DOLLARS PER SQUARE FOOT

Category	Cleaning & Maintenance	Utilities	Insurance	Total
Riverton	\$2.99	\$1.11	\$.58	\$4.68
ASU	\$2.94	\$1.46	\$.12	\$4.52

The cost of operations of \$4.00 per square foot (excluding insurance) compares quite favorably to the ASU benchmark of \$4.40 per square foot. (Please refer to the **Insurance** section of this report for an analysis of facility related insurance costs).

Energy Management

The utility costs are \$.35 per square foot lower than the benchmark, which can be attributed in part to the district’s installation of an energy efficient lighting system, the replacement of traditional lighting with new fluorescent bulbs and participation in the cooperative purchasing of gas and electric. Given the age and inefficiency of the existing heating and ventilation system in the old part of the building, the district has the opportunity to further reduce energy costs as part of any future improvements to the building infrastructure.

The district is commended for effectively controlling facility costs in spite of the extraordinary demands and wear and tear on the building.

Five-Year Facility Plan

The New Jersey Department of Education requires each school district to maintain a five-year long-range facility plan. The plan helps the district identify facility needs relating to both district growth and plant maintenance. The review team examined the five-year plan and found that it accurately described the facility and current space needs.

The school building was evaluated using the “School Facilities Evaluation Instrument”, published by the State Department of Education. This is a generally accepted format for preparing an analysis of long-range capital needs. The Evaluation Instrument is in the form of a rating sheet, which assesses the school neighborhood, educational function and physical condition. Each area is given a value and the sum of these are then judged against a total possible score. The total score correlates to actions including abandonment, renovation or addition.

Recommendation:

The five-year facility maintenance plan enables district officials to plan and budget for future facility needs. It is recommended that the district consider developing a new five-year maintenance facility plan. The plan should be developed by a committee, which should include the director of maintenance and grounds. The LGBR team recognizes the district is in the decision stages to modify and improve the school facility. A well-developed facility plan would provide the school board with valuable information. It is also recommended that the district consult with an engineering firm specializing in school reconstruction to fully consider the building’s unique structural needs as part of its bond referendum considerations.

FOOD SERVICES

The Riverton School District’s food services program has been privatized for approximately eight years. Cafeteria services are contracted with a private food management company through the Riverside School District. The current contract is a three-year agreement initiated in the 1997-98 school year. At the end of each contract period, the school district has gone out to bid but has received limited responses on each occasion.

Interviews were conducted with the food service staff and the review team visited the facilities. An analysis was also conducted on the financial records as reported in the Comprehensive Annual Report (CAFR) for school year 1998-99, which ended June 30, 1999.

According to CAFR and budget guidelines, if a district receives state and/or federal reimbursement for food service costs or collects fees from students for the cost of meals, the entire food service operation activity must be recorded in a separate enterprise fund and not

within the general fund of the budget. Any contribution made by the board toward the food service operation is reported as a lump sum contribution transferred to cover any deficits. These costs should not be included elsewhere in the budget. However, if the board funds the full cost of the operation, the expenditure should be categorized and reported in the general fund. It should be noted that the district has subsidized the food service program since its inception.

The Riverton Board of Education receives state and federal reimbursements and collects fees from the students for meals; therefore, the district reports the entire food service operation in the enterprise fund. Enterprise funds are used to account for operations that are financed and conducted in a manner similar to private business enterprise with the intent that the costs of providing goods or services be financed through user charges.

Scope of Program

Riverton School has one kitchen and an adjoining cafeteria/gymnasium. The kitchen area is equipped with a warming rack, refrigerator, and running water. It does not have the space to accommodate production facilities. All food is prepared at Riverside High School and transported to the Riverton School.

Riverton students have the option to walk home for the mid-day meal, bring lunch, or purchase a meal or a la carte items through the cafeteria. Staffing for the food service program includes a food service worker and an assistant, both of whom work six hours per day. They are employees of the private food management company. The district also employs lunchroom aides to assist with cafeteria supervision. The cost incurred for lunchroom aides for 1998-99 was \$5,148. During the 1998-99 school year, the food service vendor served 2,017 free lunches, 1,710 reduced lunches, 8,611 paid lunches, 204 adult lunches and 1,219 a la carte equivalents for a total of 13,557 lunches served.

Financial

The financial information for 1998-99 reflects the performance of the food service vendor. The contract calls for a management fee of \$2,925 which is equal to \$.22 per pattern meal/meal equivalent. During 1998-99 school year, the new food services vendor charged \$1.75 for a student lunch in the elementary school. Adult lunches for teachers and staff were \$2.50.

A summary of the food service enterprise fund for the district reveals an operating cost of \$43,635 for school year 1998-99. This cost was charged against \$32,978 in revenue generated from the 13,557 lunches served during the school year. The revenues included \$11,333 in reimbursements from the State and Federal government.

Riverton Township Board of Education Enterprise Fund Operation 1996-99				
	1996-97	1997-98	1998-99	1998-99
				% Total Operating Revenue/Expense
OPERATING REVENUES:				
Local sources:				
Daily sales reimbursable programs:				
School lunch program	\$16,422	\$16,120	\$16,617	76.8%
School breakfast program	\$94	\$22	\$2	0.01%
Total-daily sales-reimbursable programs	\$16,516	\$16,142	\$16,619	76.8%
Daily sales non-reimbursable programs	\$3,151	\$3,691	\$5,026	23.2%
Total Operating Revenues	\$19,667	\$19,833	\$21,645	100%
OPERATING EXPENSES:				
Salaries	\$16,903	\$18,039	\$16,592	38%
Other Costs	\$5,079	\$3,820	\$4,085	9%
Management Fee	\$2,705	\$2,813	\$2,925	7%
Cost of Sales	\$20,720	\$20,558	\$19,563	45%
Supplies and materials	\$2,675	\$597	\$470	1%
Total Operating Expenses	\$48,082	\$45,827	\$43,635	100%
Operating Income (Loss) Before Transfer	(\$28,415)	(\$25,994)	(\$21,990)	
Non-Operating Revenues:				
State Sources:				
State School Lunch Program	\$810	\$847	\$717	2%
Federal Sources:				
School Breakfast Program	\$46	\$90	\$10	
National School Lunch Program	\$8,102	\$9,649	\$8,106	21%
USDA Commodities	\$3,128	\$2,544	\$2,500	6%
Local Sources:				
Interest Earned on Investments	\$695			
Income Before Operating Transfers In	\$12,781	\$13,130	\$11,333	29%
Operating Transfer In	\$4,495	\$6,226	\$28,300	71%
Total Non-Operating Revenues	\$17,276	\$19,356	\$39,633	100%
Net Income (Loss)	(\$11,139)	(\$6,638)	\$17,643	
Retained Earnings/(Deficit) July 1	\$22,492	\$11,353	\$4,715	
Retained Earnings/(Deficit) June 30	\$11,353	\$4,715	\$22,358	

Source: 1998-99 Comprehensive Annual Financial Report (CAFR)

When comparing the percentages of expenses to the industry average, the acceptable margin is between 39% to 45% of total operating expenses. The Riverton costs comprise 38% of the total operating expenses for 1998-99.

Recommendation:

Vending machines alleviate long lunch lines and add variety to the menu. In addition, it provides additional revenue from after hours sales that can be used to defray operating costs. Statistics show that a vending machine will generate \$0.12 to \$0.19 per day per student. Machines could be purchased outright or leased/purchased through a distributor.

The cost benefit analysis outlined below shows a profit the district could realize with supplemental vending. The estimates utilize conservative numbers and do not include staff or visitor participation.

Riverton Food Service	
Vending Machine Sales Projections	
Estimated Per Capita Spending	\$0.12
Estimated Sales Per Day (Population 267) School Year 1998-99	\$32.04
Projected Annual Sales (180 Days)	\$5,767.20
Estimated Product Cost (55%)	\$3,171.96
Annual Lease Cost (\$115 X12)	\$1,380.00
Estimated Profit at Riverton Borough	\$1,215.24

The district should investigate the placement of two vending machines (cold drink and snack) in areas accessible to after school programs and extracurricular activities. Machines could be strategically placed to allow access whenever the building is open or can be placed on timers to limit access.

Revenue Enhancement: \$2,430 (\$1,215/machine)

TRANSPORTATION

The Riverton Board of Education operates a single elementary school within an area of approximately one square mile. The 267 kindergarten through eighth grade students attending the Riverton Public School are mostly children who walk to school or are driven by their parents. As stipulated in the N.J.S.A. 18A:39-1, only elementary school pupils who live more than two miles from their public school are entitled to transportation to and from school. Because of the small size of the Riverton School District, there is no in-district transportation or courtesy busing.

The Riverton Board does have a policy that addresses the use of privately owned vehicles in student transportation relevant to approved student activities. It clearly outlines the responsibility of volunteer drivers, chaperones, faculty, and parents/guardians. Volunteer drivers providing transportation to students in privately owned vehicles must be in compliance with N.J.S.A. 118A:39-20.1 and N.J.A.C. 6:21-10.2.

The Comprehensive Annual Financial Report of the Riverton Board of Education for fiscal year ending June 30, 1999 indicates an actual expenditure of \$77,241 for transportation. In the analysis of this figure, the team established that the district spent approximately 97% of the money primarily for out-of-district special education students, and the remaining 3% on transportation for class trips and athletics.

The Riverton Board of Education contracts with the Educational Services Unit of the Burlington County Special Services School District and also maintains a Joint Transportation Agreement with the Riverside Township Board of Education. Additionally, they have two other agreements. An agreement with Cinnaminson Township Public Schools provides transportation for students

attending the Cinnaminson Middle School, the Delaware Avenue School, and the Burlington County Institute of Technology. The agreement with Moorestown Township Public Schools provides transportation for students attending the Brookfield Academy and Hill Top School.

Recommendation:

The team commends the Riverton Board of Education for their effort to control transportation costs by entering into the transportation agreements outlined above and encourages them to continue this practice.

BOARD OF EDUCATION

The Riverton Board of Education is comprised of nine members each of whom holds office for a term of three years. Three members are elected each year and the board has established procedures to replace members who do not complete their terms (either through resignation, removal or death). The board elects its officers yearly (president and vice-president) from its membership. One regular meeting per month is held with special meetings scheduled as necessary.

The agenda for each board meeting is prepared by the superintendent in consultation with the board president and is distributed along with supporting materials anytime prior to noon on the Friday prior to the scheduled meeting. The agenda order is established in board policy and allows two opportunities for comment from the public during the meeting. Copies of the agenda, supportive materials and an orientation fact sheet are also available to the public at each meeting.

The board has established five committees to conduct studies, make recommendations and act in an advisory capacity. Each committee is comprised of four or less board members and they are not authorized to take action for the board. The five committees are finance, personnel, curriculum, buildings and grounds and policy. The board president appoints a chairperson who is responsible to report to the full board for the committee. There is an administrative liaison for each committee (either the superintendent or the business administrator). In recent years, the board has also established an ad hoc committee for public relations. This committee is charged with the responsibility of keeping the community apprised of important information in relation to the school district. The board and administration feel that the recent successes in passing the school budgets is in part due to information being openly provided by the Community Public Relations Committee.

Legal Fees

The Riverton School District utilizes an area law firm to provide services as the solicitor. The board of education approves the appointment on a yearly basis. Services are provided on an as needed basis at an hourly rate of \$120. In 1998-99, the district expended \$3,224 on legal fees. The solicitor does not attend board meetings and contact with him is limited to appropriate matters as determined by the superintendent.

Administration and Board Expenses

The expenses for both the administration and the school board were reviewed and found to be minimal and within reasonable limits.

Board/Superintendent

As required by New Jersey School Code, the board of education evaluates the superintendent on an annual basis. The review team found that both the board and administration were very cognizant of their respective roles and were very careful not to infringe on each other's area of responsibility. We also found there to be open lines of communication from the administration to the board and the board to the administration.

The review team had the opportunity to attend several board meetings. The meetings were conducted in a very businesslike manner and the board was very considerate of all in attendance. Information was provided to the public and several periods for public comment were scheduled. The board president and individual board members were intent on conducting productive meetings and in fostering open communications with the community.

A positive board/superintendent relationship is an ongoing product of open communications. The Riverton Board of Education and administration have obviously worked hard at developing a trust that was not only evident during formal meetings but informally as well. The superintendent and the board are adamant in their efforts to keep the community apprised of all necessary and important information. This coordination of effort and the positive results gained from it, impact significantly on the operation of the school district and its efficient use of tax dollars.

III. COLLECTIVE BARGAINING ISSUES

An area that frequently presents significant opportunities for savings is negotiated contracts. While they represent opportunities for savings, the savings and contract improvements are most likely to occur incrementally through a well-conceived process of redeveloping compensation packages to be equitable and comprehensive. For this reason we present those issues subject to collective bargaining in this section.

Riverton Education Association

The agreement with the Riverton Education Association, Inc. and the Riverton Board of Education was signed on June 18, 1999 and was retroactive to July 1, 1998 and continues in effect until June 30, 2001. The 25-page agreement applies to certified teachers, the nurse, learning disabilities consultants, psychologist, and secretaries and annually contracted salaried custodial personnel. This section will deal with those aspects of the contract which have productivity and/or financial implications for the school year 1998-99 which is the year being analyzed.

While the agreement does cover secretaries, there are presently no employees of this designation in the association. The district has three secretaries, two in the superintendent's office and one in the business office, who are considered confidential employees. The district also does not employ any annually contracted custodial personnel.

Teaching Hours

The teacher day is seven hours and fifteen minutes in length. Teachers must arrive ten minutes before the students and remain fifteen minutes after they leave.

Teacher Work load

Each teacher shall have five free lunch periods per week.

Evening Conferences

Two evening sessions of parent-teacher conferences are scheduled per year. The superintendent determines attendance. Teachers are compensated \$35 per hour.

Faculty Meetings

Teachers are required to attend one faculty meeting per month up to one half-hour.

School Year

The school year shall not exceed 185 days with one day used for professional development.

Sick Leave

All ten month employees receive 12 sick days and all half-time employees 12 half days. Sick leave is cumulative with no maximum. Employees with ten or more years are reimbursed at a rate of \$25 for each cumulated day upon separation or death.

Personal Leave

Teachers receive two personal days each year, which they may use with the permission of the superintendent. If they are not used they can be converted to sick days at the end of the year.

Bereavement

Teachers receive up to five days of leave for a death in the immediate family (husband, wife, children, parents, brothers, sisters, sister-in-law, brother-in-law, grand parents or parents-in-law) or any relative living in the home of the employee preceding the death.

Health Insurance

The board of education pays 100% of the cost of medical insurance including the cost of prescription coverage. This coverage is extended to families of all employees hired prior to 1996. All employees hired after this date receive single coverage until they receive tenure after which families are included.

The Riverton School Board uses a brokerage service to negotiate its health care contracts. The board maintains that the district has historically enjoyed a long-term professional relationship with the firm, one that they value and trust. All of the district's insurance coverage is reviewed annually by the broker.

Currently, the board is spending approximately \$173,000 on health insurance premiums for Health Maintenance Organization (HMO) and Point-of-Service (POS) contracts based on 1999-00 rates. All eligible employees, are offered small employer group insurance choices through these carriers. They are offered dental coverage through one specific carrier. Approximately twenty percent of the premium represents the prescription portion of the plans, and three percent represents vision coverage. When compared to the State Health Benefits Plan (SHBP) the team found that Riverton's group plans were comparable, even if all of their subscribers were enrolled in the NJ Plus Plan (NJP).

During the first three years of employment, the board pays for only the single coverage premium of eligible employees. After the third year, eligible employees may extend coverage to include their families.

The district recognizes that health benefits are a serious cost driver to local budgets, and with the assistance of the broker, has taken the steps necessary to reduce and contain costs. By utilizing small employer group plans, the broker has been able to offer the district competitive rates that compare favorably to the SHBP even though Riverton is a very small district. In an interview with the brokerage firm, the team discussed with them additional options that could help save even more money in the future.

The broker suggested using one of the existing plans as the benchmark plan, which could result in additional savings. This cost saving would result by negotiating with the bargaining unit to have eligible employees pay the difference in premium if they choose anything other than the benchmark plan.

Qualifying employees currently do not pay any portion of their premium. Most businesses in New Jersey charge back a portion of healthcare premiums to the employee. The three-year rule results in limited savings because, over time, all employees have the option of family coverage at no added cost. New employees are more likely to select single coverage, as seen in this district, with differences in dental and health selections. If employees pay a portion of their premium, personal economic choices will for the first time affect healthcare choices within the district.

Another cost savings provision, utilizing all of the current plan offerings, results in additional savings by having all eligible employees contribute 20% of the premium for “other-than-single” coverage levels. The dental plan could also be modified to extract an additional saving using this rule.

Additionally, the broker could work with the current provider or shop around to restrict costs in prescription plans. The prescription portion of the plans is estimated to represent 20% of the premium or approximately \$30,000. The team believes a savings of approximately 10% could be realized implementing a three-tier plan with increased co-pays to \$10-\$15-\$25. The three-tier program represents the cost of generic, brand name, and super brand name prescription drugs. Utilizing figures based on the 1999-00 rates, additional savings would be realized.

Recommendations:

The district could negotiate a benchmark plan and have the eligible employees pay the difference should they choose another plan.

Potential Cost Savings: \$14,000

The district could negotiate for a 20% co-payment to eligible employees who choose “other-than-single” coverage.

Potential Cost Savings: \$13,000 - \$15,400

The district could negotiate three-tier co-pay for prescriptions. Such a plan could represent additional savings of approximately 10%.

Potential Cost Savings: \$3,000

Salary Guide 1998-99

Step	Salary
1	\$29,375
2	\$30,375
3	\$31,410
4	\$32,450
5	\$33,480
6	\$34,515
7	\$35,550
8	\$36,585
9	\$37,620
10	\$38,655
11	\$39,690
12	\$40,725
13	\$41,760
14	\$42,795
15	\$43,830
16	\$44,870

Higher Education Credits	
Step	1998-99
BA+15	\$1,240
BA+30 or MA	\$2,485
MA+15	\$3,725
MA+30	\$4,760

Longevity Payments	
15 year service incentive	\$420
20 year service incentive	\$835
25 year service incentive	\$420
30 year service incentive	\$835
One-time service bonus after 25 years	\$1,195

Graduate Credit Assistance Program

The board will reimburse teachers for graduate courses taken for professional improvement. Courses may be graduate or undergraduate but must be required for a degree program, certification or advanced study. The superintendent prior to registration must approve the course and reimbursement will be at a rate of 75% not to exceed \$1,045 per teacher.

Sabbatical Leave

The board provides for sabbatical leave under the following conditions:

1. Only one staff member per year.
2. The staff member must have taught in Riverton for five years.
3. Granted for fulfilling an institution's residency requirement or for a board approved course of study.
4. The employee must agree to return to the district for one year.
5. The employee will receive one-third of their salary including service increment.
6. The board will pay for the employee to receive income protection insurance.

Bonus Sick Day Reimbursement

There is an addendum in the contract for a bonus sick day reimbursement of sick days (at retirement) for any employee who meets the requirements of New Jersey's Teacher's Pension Retirement Act. It provides for the qualified employee to receive \$200 per day for unused sick days to a maximum of 150 days. The qualified employee can contribute excess days to a board of education "pool" and receive \$25 for these days. The board then has the option to supplement other employees who could qualify for this reimbursement but have experienced hardship and been forced to use accumulated days.

Payment of this reimbursement is made in five equal installments over the course of five fiscal years beginning with the fiscal year an employee is retired.

A further bonus is defined for any employee who gives written notification of his/her retirement by June 30, 1999. The modification in this case is \$225 for the first 150 days and \$35.00 for the excess donated to the pool.

The board is commended for the institution of the retirement incentive clause in the negotiated agreement. The potential savings per staff member even with maximizing the benefit are approximately \$40,000 over the five-year period. Additional but more limited savings will also be generated from the health benefit area (single versus family coverage until tenure is attained) and from longevity and higher education expenditures.

Recommendation:

It is recommended that any future consideration in the area of early retirement be capped at the state maximum of \$15,000.

IV. SHARED SERVICES

Tremendous potential for cost savings and operational efficiencies exist through implementation of shared cooperative services between local government entities. In every review, Local Government Budget Review strives to identify and quantify the existing and potential efficiencies available through the collaborative efforts of local officials in service delivery in an effort to highlight shared services already in place and opportunities for their implementation.

Business

Riverton participates in the Alliance for Energy Services (ACES) which is a joint purchasing group sponsored by the New Jersey Association of School Administrators, the New Jersey Association of School Business Officials and the New Jersey School Boards Association. Insurance is purchased cooperatively through the School Alliance Insurance Fund and natural gas is received from the Burlington County Public Schools Natural Gas Procurement Service. A cooperative purchasing agreement with Burlington County is also in place for the purchase of custodial and maintenance equipment and supplies. Burlington County Educational Services Unit or the state contract is the source for school supplies and paper.

The administration has also made arrangements for joint transportation agreements with the local districts of Beverly, Moorestown, Cinnaminson, Delran, Riverside and the Burlington County Educational Service Unit. This allows the district to provide required transportation for special education students and field trips and athletic trips for the remainder of the student body. Cooperation between the local districts can also be seen with respect to food service. The Riverside School District allows Riverton to “piggyback” on its agreement with its food service vendor and satellites meals to Riverton on a daily basis.

The local districts share the services of environmental consultants, when needed. Annual updates on concerns and training are provided on a pro rata basis. Computer support services for the business office is acquired through an agreement with the Gloucester County Special Services School District.

School Districts

The school district in an attempt to maximize the impact of its budget dollars has entered into a number of agreements and/or arrangements with other local districts. Open seats in special education classes are filled when possible from other districts and the same opportunity is offered to Riverton on a need/availability basis. Staff development program fees have been minimized by joint sponsorship of programs with Palmyra, Beverly and Delanco. Assembly costs have also been shared with Palmyra. On a yearly basis the Riverton District enters into a joint agreement with the Burlington County Special Services Unit to purchase, on a need basis, occupational therapy, physical therapy, speech therapy, reading specialist services and home instruction teachers services. Substitute calling is also purchased on a yearly basis through the Westampton School District.

Facilities/Community/Municipal

The Riverton School District has a facilities use policy in place. The policy states that the school building, grounds and equipment should be used to the fullest extent by the community. The use of facilities cannot conflict with regular school activities, use by school organizations, renovations or cleaning schedules. Applicants must submit an application, provide proof of insurance and pay custodial expenses if use is outside of normal hours. The user group must also identify a responsible person.

The Parks and Recreation Commission utilizes the school facilities on a regular basis. The gymnasium and/or media center is used for community and municipal meetings as needed and the school serves as a polling site for all elections. Additional activities include use by the American Red Cross, Burlington County YMCA, Girl Scouts and local youth groups.

In addition to savings to be realized by joining services, there are two new state programs designed to encourage and reward local government units and their taxpayers for regionalizing, sharing and joining services with other units of local government. The Regional Efficiency Development Incentive Act (REDI) provides funds to local units to study or to implement the feasibility of joining services. The second program, REAP (Regional Efficiency Assistance Program), provides direct tax relief to resident taxpayers for any local government regional service agreement signed after July 1, 1997. These programs are jointly administered by the New Jersey Department of Education (DOE), and the New Jersey Department of Community Affairs (DCA), Division of Local Government Services. The school district is encouraged to contact DOE at www.state.nj.us/njded/grants/redi.htm or DCA at <http://www.state.nj.us/redi> for additional information.

Recommendation:

District officials are encouraged to continue exploring additional areas where shared services would be cost effective for the school district and municipality. Although opportunities for sharing in a small district/municipality are limited, discussions should be held between local officials on a regular basis.

V. STATUTORY AND REGULATORY REFORM

The fifth and final section of the report, Statutory and Regulatory Reform, attempts to identify those areas where existing State regulations or statutory mandates, which appear to have an adverse effect on efficient and cost effective local operations, are brought to the attention of the LGBR review team by local officials. It is common for local officials to attribute high costs and increased taxes to “state mandates.” Each review team is then charged with reporting those areas in this section of the report. The findings summarized below will be reviewed by the appropriate state agency for the purpose of initiating constructive change at the state level.

Board of education members and administrators were interviewed and given the opportunity to express their concerns regarding the various regulations that impact the public schools. During interviews district officials expressed some concerns in the following areas:

The Riverton School District’s long-standing sending-receiving relationship with the Palmyra School District has caused tension in the community and a strain on the budget. Past requests by the district to sever this unwritten contract have been denied by the state. Despite community support to investigate other high school opportunities the district remains bound by this unwritten agreement. The district feels that special education decisions and placements are made without their input and that their budget is negatively affected with unanticipated tuitions. The district indicates that although the charges are within the structure written in code, Palmyra charges the highest amounts possible. The Riverton District has surveyed other local districts that either charge only minimal amounts for use of the Resource Center or do not charge at all. Unanticipated special education tuition for high school students (including outside placements) have contributed to the depletion of the district's surplus. Tuition for both regular and special education currently amount to approximately 25% of the district's budget.

It is a strong community belief that if students were able to choose their high school or if the district could send to a larger high school, the tuition would be more easily justified as the students would benefit from greater educational opportunity.

With respect to the alteration of current regulations and statutes, local officials offered the following concerns for consideration by state officials:

1. All state mandates should be fully funded.
2. Funding in the area of special education, including transportation, needs to be overhauled. The Riverton School District is negatively impacted in a number of areas by the current regulations.
3. The CEIFA formula needs to be altered to allow for a greater state contribution.

In addition to planning grants, the state should offer operational incentives that would result in more sharing among districts, districts and counties and districts and municipalities.

LOCAL GOVERNMENT BUDGET REVIEW ACKNOWLEDGMENTS

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